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LEGISLATIVE HISTORY
Public Law 90-463
H. R. 16913

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INDEX AND SUMMARY OF H. R. 16913

April	30, 1968	House Appropriations Committee reported H. R. 16913. H. Report 1335. Print of bill and report.
May	1, 1968	House passed H. R. 16913 with amendments.
May	2, 1968	H. R. 16913 was referred to Senate Appropriations Committee. Print of bill as referred.
May	24, 1968	Senate committee reported H. R. 16913 with amendments. S. Report 1138. Print of bill and report.
May	28, 1968	Senate began debate on H. R. 16913.
May	29, 1968	Senate passed H. R. 16913 with amendments. Senate conferees appointed.
June	24, 1968	House conferees appointed.
July	11, 1968	Conferees were given until midnight July 12 to file conference report.
July	25, 1968	House received conference report on H. R. 16913. H. Report 1794. Print of report.
July	26, 1968	Both Houses agreed to conference report.
Aug.	7, 1968	Approved: Public Law 90-463.

Hearings: House and Senate Appropriations Committees.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued May 1, 1968
For actions of April 30, 1968
90th-2nd; No. 72

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HIGHLIGHTS: House committee reported agricultural appropriation bill. House committee reported poultry inspection bill. House committee voted to report emergency credit revolving fund bill.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H. R. 16913, the Agriculture Department appropriation bill, 1969 (H. Rept. 1335) (p. H3114). Attached to this Digest is a copy of the committee report, which includes a summary table reflecting committee action on the bill. At the request of Rep. Whitten unanimous consent was granted "to call this bill up for consideration tomorrow or some day thereafter" (p. H3075).

2. POULTRY INSPECTION. The Agriculture Committee reported with amendment H. R. 16363, the Poultry Products Inspection Act amendments (H. Rept. 1333). p. H3114
3. LANDS. Concurred in Senate amendment to H. R. 11527, to release conditions in a deed conveying certain lands to the University of Maine (p. H3078). This bill will now be sent to the President. The committee report states that the bill would "(1) Authorize the Secretary of Agriculture to release a condition in a conveyance to the University of Maine requiring the lands conveyed to be used for public purposes. Such release would be conditioned upon (A) the university's agreement that all proceeds from the sale, lease, or other disposition of the lands be used to acquire lands to be held permanently for university purposes, and (B) the proceeds being kept in a separate fund and subject to inspection by the Secretary. (2) Require the Secretary of the Interior upon application to convey the mineral interests of the United States to the surface owners at a fair market value (or \$1 per application if of only nominal value)."
The Interior and Insular Affairs Committee reported with amendment H. R. 9098, to revise the boundaries of the Badlands National Monument, S. Dak. (H. Rept. 1328). p. H3113
4. FARM CREDIT. The Agriculture Committee reported without amendment H. R. 16674, to amend the Federal Farm Loan Act and the Farm Credit Act to improve the capitalization of Federal intermediate credit banks and production credit associations (H. Rept. 1334). p. H3114
5. METRIC SYSTEM. The Rules Committee reported a resolution for the consideration of H. R. 3136, to authorize a study to determine the advantages and disadvantages of increased use of the metric system in the U.S. p. H3114
6. HOLIDAYS. The Rules Committee reported a resolution for the consideration of H. R. 15951, to provide for uniform annual observances of certain legal public holidays on Mondays. p. H3114
7. EDUCATION. The Rules Committee reported a resolution for the consideration of H. R. 16729, to extend for 2 years certain programs providing assistance to students at institutions of higher education. p. H3114
8. MONETARY SYSTEM. Both Houses received from the President a message on the International Monetary Fund Agreement in which he recommended that the Congress "approve changes in the...Agreement to create a new form of international reserve--the Special Drawing Right (H. Doc. 300); to H. Banking and Currency and S. Foreign Relations Committees. pp. H3078-80, S4629-31
Received from the National Advisory Council on International Monetary and Financial Policies, a "special report on the proposed amendment of the articles of agreement of the International Monetary Fund establishing a facility based on the special drawing rights in the Fund and modifications in the rules and practices of the Fund" (H. Doc. 301). p. H3113

DEPARTMENT OF AGRICULTURE AND RELATED
AGENCIES APPROPRIATION BILL, 1969

APRIL 30, 1968.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 16913]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1969. The bill covers estimates contained in the 1969 budget, pages 107-216, 939-944, 1111, and 1123-1124.

The bill provides for the general operations of the Department of Agriculture and the Farm Credit Administration. Title I includes the regular continuing programs of the Department, such as research; disease and pest control; inspection of meat, poultry, and other foods; special milk, school lunch, and food stamp programs; overseas agricultural services; regulation of commodity markets; policing of packers and stockyards; State Experiment Stations and Extension Services; assistance to farm cooperatives; soil and water conservation; crop reports; marketing services; enforcement of the new program for licensing and control of laboratory animals; and various service and staff offices. Title II includes the credit programs for rural electrification and rural telephones, and the various loan programs of the Farmers Home Administration. Title III includes Federal Crop Insurance, Commodity Credit Corporation, and foreign assistance programs. Title IV includes the Farm Credit Administration.

This bill provides new obligational (budget) authority of \$5,523,-635,500, a reduction of \$1,400,344,300 from the \$6,923,979,800 requested by the executive branch. This is a 20 percent decrease in the 1969 budget and a 24 percent reduction below funds provided for 1968.

Man's standard of living through the ages has been measured largely by how much time he had left after providing for the essentials—food, clothing, and shelter. Judged by this yardstick, the United States has had marvelous success. Only 6 percent of our population

are now on the farm, leaving 94 percent for other occupations. Those on the farm have done the job for the Nation, while receiving an average of only 5 percent of the consumer's disposable income. The consumer spends less than 18 percent of his income for food, and the 6 percent of our people on the farm not only furnish the raw materials for industry and labor but constitute the biggest market for industrial output, thereby constituting a major key to a prosperous national economy.

Though the programs funded in this bill include those for food stamps, school lunches, meat and poultry inspection, research, protection of the soil for present and future generations, loans for rural electrification and telephones, and reimbursement to the Commodity Credit Corporation for farm price supports, the total amount for all these programs carried in this bill represents less than 4 percent of the total national budget.

In this bill, the committee has provided for the continuation of the present level of attention to the conservation programs of the Department. At the same time, it has made sizable reductions in Public Law 480 appropriations and certain other funds to more than offset this action.

Except for increases required to meet the additional meat and poultry inspection responsibilities and the large and expanding food stamp program, the other programs and functions of the Department have been held generally to the 1968 operating level.

A summary of the 1969 estimates and amounts recommended in the bill for the coming year follows:

Item	1969 budget	Recommended in bill	Comparison
Title I—General activities.....	\$1,740,878,800	\$1,847,957,000	*+\$107,078,200
Title II—Credit agencies.....	954,919,000	527,546,000	—427,373,000
Title III—Corporations.....	4,228,182,000	3,148,132,500	—1,080,049,500
Title IV—Related agencies.....	(3,436,000)	(3,436,000)	
Grand total.....	6,923,979,800	5,523,635,500	—1,400,344,300

*This figure brings forward the program announcement for the Agricultural Conservation Program (ACP) for next year. In former years this was charged to totals for the year following the announcement when funds were actually expended. In addition, it includes the restoration of approximately \$33 million for the watershed programs of the Soil Conservation Service. Except for these changes, a minus figure of approximately \$46 million for the regular activities of the Department would be reflected.

AN ECONOMY MEASURE

Despite the large reductions recommended for next year, the bill provides as fully as possible for the production of ample food for our consumers; the protection of public health against insects, diseases, and contaminated foods; the preservation of our natural resources for present and future generations; and the improvement of our foreign exchange position in world trade.

The amounts provided represent the best possible balance between the necessity to curtail expenditures wherever possible to help finance our wartime commitments, and the need to continue those Federal programs

which preserve a sound agricultural economy so vital to the overall economy.

Agriculture is still the key to our prosperity in this country.—Agriculture is the principal source of new wealth, is our largest industry, and is the major market for the products of labor and industry. It is our chief bulwark against hunger and starvation throughout the world, and is the chief earner of dollar exchange, with the production of 1 out of each 4 acres sold abroad. Today, however, only 47 of the 435 districts represented in Congress have a rural constituency of 20 percent or more. Only 6 percent of our people provide the highest standard of living ever known for the 94 percent of our nonfarm people. Only 5 cents out of the consumer's disposable dollar goes to the farmer for the bountiful supplies of high quality and inexpensive food available to American consumers.

Agriculture is one of the principal protectors of our health.—Foods available to the American consumers are the most wholesome and healthful in the world. The development of various chemical compounds by agricultural scientists has made a major contribution to human health. The development of commercial methods of making penicillin and the discovery of dextran, a blood plasma substitute, and other significant medical advances have benefited millions of people all over the world. Research in the field of human nutrition has increased our knowledge of diets, fat metabolism and cholesterol in the blood. Entomologists have found new approaches to the control of some 10,000 destructive insect pests and some 50,000 diseases which threaten our food supply and our health. Inspection and quarantine activities help to prevent the introduction of foreign pests and diseases into this country. The special milk, school lunch, food stamp, and other food distribution programs play a significant role in the health and welfare of the Nation's consumers of all ages. Inspection of meat, poultry, and other agricultural products assures wholesome and disease-free food to the Nation's consumers.

Agriculture is the caretaker of our future.—Our farmers and ranchers are the principal managers of the Nation's soil and water resources and the financial support for their stewardship will determine the extent to which we leave a fertile land and plentiful natural resources to future generations. The disappearance of every great civilization in recorded history has been due to man's failure to preserve and protect the natural resources which provided him with his basic necessities of life. During our short history in the United States, we have used up and destroyed some 80 percent of the timber and 40 percent of the fertile soil originally available on this continent. While progress has been made in soil and water conservation in the United States in the last 25 years, the major part of the job lies ahead. Only about one-third of our land is properly protected from soil erosion, and nearly one-fourth of the people in this country face problems of water shortages.

COMMITTEE RECOMMENDATIONS

During the consideration of retrenchment legislation last year, a great deal of consideration was given to the best means of effecting

Government economies. On October 18, 1967, the House of Representatives adopted a plan which would have held expenditures, with some exceptions, to the 1967 level. This action was based on the feeling of most Members that it was better to hold operations to a level previously determined by Congress than to apply a percentage cut to the budget or adopt an overall expenditure ceiling, either of which methods leaves the final decisions on funding levels for specific projects and programs to the executive branch.

In arriving at the amounts recommended in the bill for fiscal year 1969, the committee has used the same approach and the same reasoning. For most items in the bill, the committee has recommended for next year the 1967 or actual 1968 operating level after reductions pursuant to H.J. Res. 888. In several instances, which are explained fully in this report, the level provided by Congress for 1968 has been approved for 1969.

The bill includes only three increases above the 1968 appropriations level where special circumstances make the provision of such additional funds essential. These include an increase of \$26,880,500 for additional meat and poultry inspection work, one-half of which is placed in a reserve. Reorganization of the Consumer and Marketing Service to put these activities on a coordinated and efficient operating basis should result in substantial savings. An additional \$40 million is provided for the food stamp program, of which \$25 million is placed in reserve to be released by the Bureau of the Budget to the extent necessary after various corrections in the handling of the program are made. An increase of \$500,000 has been provided to enable the Department's library to move to its new quarters at Beltsville which have been under construction since 1966 and will be ready for occupancy in October 1968.

The Committee is of the opinion that loan funds requested by the Bureau of the Budget for FHA operating loans will likely prove wholly inadequate for a full year. The Committee has provided only the budgeted figure since, based on 1968 experience, additional allowances probably would be frozen. The Bureau of the Budget is urged, however, to review the loan needs for this program for both 1968 and 1969 and advise the Congress of its findings.

The amounts approved for next year represent rather severe retrenchment in some instances, since personnel and other reductions will be required to meet the annualization of pay costs and other increases in operating costs in fiscal year 1969. The committee feels, however, that such action is warranted as Agriculture's contribution to the Government-wide reductions which will be necessary to reduce the large projected budget deficit for fiscal year 1969. The committee believes that specific action taken now to indicate congressional intent on funds for next year's operations of the Department of Agriculture is preferable to formula cuts, expenditure limitations, or total elimination of some programs in favor of others, which might be made later. The uncertainty, confusion, and inability to make advance plans which result from Government-wide retrenchment legislation enacted subsequent to the appropriation bills—last year it was over 5 months after the fiscal year had begun—is very costly both in terms of unnecessary expenditures and reductions in program performance.

EFFECT ON EXPENDITURES

In recognition of the necessity of curtailing Federal expenditures and reducing the projected budget deficit for fiscal year 1969, the committee has included language in the bill (sec. 509 of general provisions) which is intended to hold expenditures in fiscal year 1969 to the authorized 1968 expenditure level plus (1) mandatory increases such as annualization of pay costs, postage increases, increases for retirement and employee compensation costs, and (2) program increases included in the bill for next year for meat and poultry inspection and the food stamp program. The amounts involved are:

1968 expenditures as reflected in 1969 budget (excluding Forest Service and including trust funds, lending authority, and permanent appropriations)-----	\$6, 447, 025, 000
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Mandatory increases:

Annualization in 1969 of pay cost increase effective in October, 1967-----	+9, 670, 701
Retirement and employees compensation fund costs for extension agents-----	+515, 000
Penalty mail costs for extension work-----	+201, 000
Payment to Bureau of Employees Compensation-----	+178, 696

Total mandatory increases-----	+10, 565, 397
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Program increases included in 1969 bill:

Meat and poultry inspection-----	+26, 880, 500
Food stamp program-----	+40, 000, 000

Total program increases-----	+66, 880, 500
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Total estimated expenditures (budget outlays) in fiscal year 1969-----	+6, 524, 470, 897
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As noted earlier in this report, the new budget (obligational) authority for fiscal year 1969 has been reduced by \$1,400,344,300. The major portion of this reduction, however, does not reduce the estimated expenditures projected in the budget for fiscal year 1969. The proposed elimination of the participation sales authorization does not reduce 1969 expenditures, although this action will reduce future expenditures and will save the extra costs involved in selling Government securities, the amount of which cannot be determined at this time. Also, the recommended reduction in funds for restoration of capital impairment of the Commodity Credit Corporation has no effect on fiscal year 1969 expenditures, since these funds represent the replacement of amounts expended in prior years.

Further, of the \$6,938,585,000 expenditure level projected for fiscal year 1969 in the 1969 budget (excluding Forest Service), an estimated \$1,589,200,000 represents mandatory expenditures to liquidate commitments made from prior-year funds. In addition, 1969 expenditures from trust funds and permanent appropriations not included in this bill are estimated at \$461,244,000. This leaves a balance of expenditures from appropriations and loan funds covered in this bill of \$4,888,141,000.

The major portion of this balance, \$2,775,769,000, represents uncontrollable expenditures of the Commodity Credit Corporation which, under its basic Charter Act, must make such expenditures as may be necessary to carry out its price support responsibilities. This leaves a balance of \$2,112,769,000 of 1969 projected expenditures

which are subject to congressional action in this bill. The computation of this figure is as follows:

Total expenditures, USDA (recommended in 1969 budget)-----	\$7, 167, 339, 000
Deduct items not in this bill:	
Forest Service:	
Trust funds-----	-32, 500, 000
Appropriations-----	-437, 649, 000
Estimated receipts-----	+241, 395, 000
Total expenditures, USDA (excluding Forest Service)-----	6, 938, 585, 000
Expenditures from:	
Prior-year funds-----	-1, 589, 200, 000
Trust funds-----	-33, 253, 000
Permanents-----	-427, 991, 000
Total expenditures from new obligational and lending authority proposed in 1969 budget-----	4, 888, 141, 000
Less: Uncontrollable expenditures by Commodity Credit Corporation-----	-2, 775, 372, 000
Balance subject to congressional action in this bill-----	2, 112, 769, 000
Recommended in bill-----	1, 698, 655, 000

To retain the 1968 expenditure level, plus the essential increases outlined above, it has been necessary to reduce expenditures in the bill for fiscal year 1969 by \$414,114,000. This is approximately 20 percent of the estimated expenditures in those areas subject to congressional control. The computation of the effect of these reductions on the major sections of the bill follows:

1969 expenditures (excluding Forest Service and including loan funds, trust funds and permanents)-----	\$6, 938, 585, 000
Effect on expenditures of amounts proposed in bill:	
Title I, general activities-----	-35, 900, 000
Title II, credit agencies-----	-15, 100, 000
Title III, corporations:	
Public Law 480-----	-361, 814, 000
Other-----	-1, 300, 000
Total, title III, corporations-----	-363, 114, 000
Total expenditure reduction-----	-414, 114, 000
Total estimated expenditures, fiscal year 1969-----	6, 524, 471, 000

In view of the fact that the Commodity Credit Corporation is a Government corporation, the expenditures of which are required by law from corporate funds, and in view of the fact that the basic law requires this corporation to carry out its price support responsibilities regardless of the availability of funds, it is impossible to control the expenditure level of this organization. Accordingly, it is understood that the amount indicated above must, of necessity, be increased to the extent that the net expenditures of the Corporation during the coming fiscal year exceed the expenditure level of \$2,775,372,000 included therein.

Also, there may be some essential minor changes in expenditures as a result of uncontrollable variations in receipts from the public. Estimates of such receipts have been netted against expenditures in these calculations.

EFFECT ON PERSONNEL

The severe reductions in funds made in this bill for the next fiscal year will require a sharp decrease in personnel (man-years) below both the 1968 level of operation and the level proposed in the 1969 budget. The bill as reported provides an estimated 65,543 man-years of employment for fiscal year 1969 for the Department of Agriculture, exclusive of the Forest Service. This is 933 man-years less than estimated for fiscal year 1969.

Two major personnel increases proposed in this bill for next year account for the indicated man-year increase of 652 over 1968. An increase of 1,062 man-years is provided for the greatly expanded meat and poultry inspection duties assigned to the Department, under the Wholesome Meat Act adopted last year. An additional 616 man-years is provided for the large increase provided for the food stamp program in the coming year.

A total reduction of 1,026 man-years under the 1968 level will be required in the other programs of the Department during the next fiscal year. This is due almost entirely to the fact that the amounts recommended for other appropriations do not provide the additional funds needed to cover annualization of pay act costs for an additional 3 months in fiscal year 1969. A breakdown of the man-year changes for each agency is set forth in the following table.

MAN-YEAR COMPARISONS

Item	1968 estimate	1969 budget	In bill for 1969	Comparison	
				1968 estimate	1969 budget
Agricultural Research Service:					
Research.....	9,788	10,116	9,716	-72	-400
Disease and pest control.....	6,250	6,329	6,054	-196	-275
Other.....	429	432	432	+3	-----
Total, Agricultural Research Service.....	16,467	16,877	16,202	-265	-675
Cooperative State Research Service.....	103	106	103	-----	-3
Extension Service.....	219	219	217	-2	-2
Farmer Cooperative Service.....	94	126	93	-1	-33
Soil Conservation Service:					
Conservation operations.....	11,025	10,955	10,785	-240	-170
Other.....	6,486	5,819	6,336	-150	+517
Total, Soil Conservation Service.....	17,511	16,774	17,121	-390	+347
Economic Research Service.....	943	989	931	-12	-58
Statistical Reporting Service.....	1,247	1,256	1,235	-12	-21
Consumer and Marketing Service:					
Meat and poultry inspection.....	6,767	7,829	7,829	+1,062	-----
School lunch program.....	170	210	170	-----	-40
Food stamp program.....	907	1,523	1,523	+616	-----
Other.....	2,490	2,498	2,418	-72	-80
Total, Consumer and Marketing Service.....	10,334	12,060	11,940	+1,606	-120
Foreign Agricultural Service.....	749	783	704	-45	-79
Commodity Exchange Authority.....	140	144	140	-----	-4
Agricultural Stabilization and Conservation Service.....	4,690	4,588	4,538	-152	-50
Office of the Inspector General.....	854	885	845	-9	-40
Packers and Stockyards Administration.....	189	217	187	-2	-30
Office of the General Counsel.....	345	398	345	-----	-53
Other.....	3,381	3,394	3,372	-9	-22
Rural Electrification Administration.....	915	911	901	-14	-10
Farmers Home Administration:					
Salaries and expenses.....	6,600	6,680	6,600	-----	-80
Other.....	110	69	69	-41	-----
Total, Farmers Home Administration.....	6,710	6,749	6,669	-41	-80
Total, U.S. Department of Agriculture (exclusive of Forest Service).....	64,891	66,476	65,543	+652	-933

AGRICULTURE—KEY TO OUR PROSPERITY

American agriculture is the most productive in the history of the world. The increasing efficiency of our agricultural producers continues to contribute to the high standard of living in this country.

When this country was young, 90 percent of the people lived on the farm. Most of them had to produce their own food and fiber with the plow and the hoe. Today, only 6 of every 100 American workers are engaged in agriculture. The 94 others provide the goods and services of modern living—manufacturing cars, TV sets, and washing machines, running banks, selling insurance, building homes, fixing telephones, working in hospitals and hotels, and rendering other services, including our national defense and international responsibilities.

Thirty years ago, one person on the farm supplied the food and fiber for 10 others. By 1960, this had increased to one person on the farm for 26 others. Today, one farm producer feeds and clothes about 40 persons.

On the world's most efficient farms, output per man-hour has been increasing some 6 percent per year—more than twice the rate in industry. If farmers today used 1940 methods of producing crops, it would cost an extra \$15 billion a year to produce food and fiber for the Nation. This extra cost would be passed on to consumers, adding more than \$6 a week to each family's food bill.

It now takes so few of us to produce the food, clothing, and shelter for the rest of us, that the rest of us can provide the highest standard of living ever known for all of us.

One unfortunate consequence of this development, however, is that the voice of American agriculture has grown weaker in the legislatures and other forums of the Nation. Today, only 47 of the 435 districts represented in the U.S. Congress have as many as 20 percent of their people on farms. The majority of the Members of Congress, therefore, represent constituencies with little or no understanding of the problems of agriculture and only a vague realization of the importance of this segment of our economy to the general welfare of the entire Nation.

FARM INCOME, INVESTMENT AND RISK

To maintain this high standard of living, with little or no increase in farm income, and with higher and higher costs for what the farmer must buy, increased agricultural productivity has been an absolute necessity. This has come at the cost of much greater investment per farm and a tremendous increase in risk.

The increased use of machinery and equipment has made it necessary to expand the size of farming units, at a high cost to the producer. The small family-size farm is gradually disappearing, largely because it cannot support high-cost machinery, supplies, and labor. The number of farm units has decreased from 6.4 million in 1940 to less than half this number in 1967. The American consumer today is almost entirely dependent on the commercial farm for his abundant supply of inexpensive food and fiber.

Efforts to limit payments to larger farmers would have the ultimate effect of breaking up larger farms into smaller uneconomical units such as now exist in many of the food-deficient countries of the world.

This would be about as unsound, so far as feeding this Nation is concerned, as to require the building of automobiles by hand or to restrict the number of employees of a commercial organization to a certain level by limiting salary levels, including costs created by minimum wage contracts.

The average investment necessary to farm has increased by over 1,000 percent in the past 27 years, from \$6,158 in 1940 to \$42,465 in 1960, \$67,259 in 1966, and \$73,120 in 1967. As a result net return on the farmer's investment has decreased through the years, from 8 percent in 1957 to a low point of about 6 percent today.

This decreasing return on farm investment has steadily increased the farmer's risk through the years. Half a century ago a farm could survive as many as seven crop failures in a row. With the tremendous financial risks involved today, the loss of a single year's crop could result in bankruptcy for many farmers with large investments.

While farm assets have increased from \$185.8 billion in 1957 to \$281.2 billion in 1967, farm debt has increased even faster—from \$20.4 billion in 1957 to \$49.9 billion in 1967. Farm debt as a percentage of assets has increased from 11.0 percent in 1957 to 17.7 percent in 1967. Interest payments as a percentage of gross farm income have increased from 2.9 percent in 1957 to 5.6 percent in 1967.

Despite increased gross income, the levels of net farm income lag far behind those of nonfarm families. Even though he supplies the basic necessities for his city cousins, per capita income of the farmer is only 66 percent of nonfarm income. Disposable personal income of our nonfarm population in 1966 was over \$2,618 per capita. For the same period, income for farm families was only \$1,731.

TIGHT CREDIT SITUATION

One of the serious problems facing the farmer today is the tight credit situation and the rising interest costs. Demands for all types of credit, both public and private, are far in excess of funds available.

During our hearings on the 1969 budget, the assistant to the Governor of the Farm Credit Administration gave the following report on the growing credit needs of American agriculture:

Amounts of credit used by farmers have increased steadily during the last decade. Increases in credit needs have resulted in part from the rise in land prices and from higher costs paid for hired labor, materials, and equipment. As agriculture becomes more commercialized, credit is used increasingly by farmers to acquire control of the large quantities of resources necessary for success in modern farming. To achieve efficiency and to earn adequate incomes, commercial farmers have expanded their operations. The average farm now has 370 acres as compared with 300 acres in 1960 and 210 acres in 1950. Most of the farm output, moreover, comes from about 1 million commercial farms that account for 85 percent of the production. To continue to operate efficiently, these farmers need to use large amounts of capital and credit.

Farmers' needs for credit increased during 1967 and the volume of credit used by agriculture moved up to a new record. Availability of credit to agriculture, however, con-

tinued to be restricted by high interest rates and tight money conditions which came into being during 1966 and continued through 1967. As a result of restrictions on the availability of credit, many farmers were not able to obtain all of the loan funds they needed. The rate of increase in the amount of credit used by agriculture was smaller than in other recent years.

For the lending programs of the Farm Credit system, the assistant to the Governor gave the following summary :

On June 30, 1967, the Farm Credit banks and associations held a net total of \$10.4 billion in outstanding loans to agriculture as compared with \$9.1 billion a year earlier. The Federal land banks held \$5.3 billion of farm mortgage loans. On the same date the production credit associations held \$3.6 billion of short and intermediate-term loans to farmers. The banks for cooperatives had \$1.3 billion in loans outstanding to farmers supply, service, and marketing cooperatives.

LOANS OUTSTANDING TO AGRICULTURE HELD BY THE FARM CREDIT BANKS AND ASSOCIATIONS
[In millions of dollars]

Lending banks and associations	As of June 30			
	1955	1960	1966	1967
Federal land banks.....	1,408	2,487	4,725	5,304
Production credit associations.....	804	1,670	3,146	3,651
Banks for cooperatives.....	317	551	1,105	1,296
Federal intermediate credit banks.....	855	1,698	3,066	3,544
Total.....	3,384	6,406	12,042	13,795
Deduct: FICB credit to other farm credit banks and associations.....	779	1,594	2,897	3,359
Net total loans.....	2,605	4,812	9,145	10,436

Demands for loans from the Farmers Home Administration have far exceeded the funds available for the various purposes. As of July 1, 1967, a total of \$64 million was available for emergency loans. This amount was exhausted early in February 1968. The reserve balance of \$22 million in the emergency credit revolving fund was released by the Bureau of the Budget shortly thereafter. This additional loan authority was gone within a few weeks. Loan dockets for 1,407 loans totaling \$7.5 million were unprocessed as of early April 1968, and estimates are that applications for another \$22 million of emergency loan credit will be received during the balance of this fiscal year.

The situation is much the same for operating loans. According to testimony from USDA officials, as of early March 1968, an estimated \$81 million of unpaid operating loans of a hardship character were on hand. In addition, the heavy credit needs of the spring planting season are still ahead. Despite this situation, the executive branch continues to freeze \$25 million of operating loan funds provided by Congress for fiscal year 1968.

In discussing the availability of private credit for agricultural purposes, the Administrator of Farmers Home Administration stated:

The American Bankers Association released a report, I believe it was they who released a report, just the other day, showing that the number of so-called agricultural banks who had reached the position of the ratio of loans to deposits of 26 percent, which is normally considered a loaned up position, had increased from 26 percent to 47 percent last year.

Actually, some of those banks had ratios up to 70 percent which is considered a rather hazardous position for country banks.

There are many areas in which the normal conventional sources of credit are not available regardless of the security the applicant has to offer.

BOUNTIFUL SUPPLIES OF INEXPENSIVE FOOD

Despite these and other difficulties, American agriculture continues to make a major contribution to the national welfare through the production of bountiful supplies of high quality and low-cost foods for the Nation's consumers. Food is one of today's best bargains.

This is apparent at the supermarkets, where city consumers can choose from thousands of safe, wholesome, and delicious foods—products of the farms of our 50 States. Using less than 18 percent of their income, American consumers can select foods with a knowledge of nutrition and balanced diets that makes this a Nation of healthy and well-fed people. Many people in the world spend half or more of their available income on food. In underdeveloped areas people spend most of their time grubbing a living from the earth.

In 1929, 23.4 percent of consumer income in the United States went for food. This decreased to 22.2 percent in 1950, 20 percent in 1960, and 17.7 percent last year. This steady decrease has occurred despite the increasing portion of food costs which go for marketing and related services. If the 1960 level of 20 percent had continued through 1967, U.S. consumers would have had \$11 billion less to spend for the products of industry and labor.

This contribution to the national economy has come at the expense of the American farmer, however. Since 1951 the farmer's share of the retail food dollar has declined from 49 cents to 38 cents in 1967. As a matter of fact, if farm producers were to receive nothing for their raw materials, retail prices would probably not decline significantly. It should be noted that in 1967 the farmer received only 3.4 cents from a 22.2-cent loaf of bread, less than 11 percent of the retail price. The farmer's share of a \$4.38 cotton shirt in 1967 was only 22 cents, about 5 percent of the retail cost.

Recently, Dr. Walter W. Wilcox, Director, Agricultural Economics, USDA, described the situation as follows:

The figure that I think is remarkable is that of the consumer's disposable income; only 5 cents out of the dollar goes to the farmer for the food products produced on the American farms.

LABOR AND INDUSTRY'S BEST MARKET

The economic welfare of the Nation's economy is dependent on the economic strength of each segment thereof. Time has proved that labor and industry can be prosperous only to the extent that the agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of the economy.

Agriculture is our largest industry. Its assets exceed those of any of the next 10 largest industries. It employs more workers than any other major industry. It employs seven times the number of people in the mining industry, 23 times the number in the oil and coal industry, and five times the number in the automobile industry. In addition, it supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is one of the major markets for the products of labor and industry. It spends more for equipment than any of the other large industries. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry and is five times that of the automobile industry.

Since 1951, despite Government farm programs, industry and labor's take of the consumer's food dollar has increased from 51 cents to 62 cents. This increase of 21.5 percent by industry and labor has been passed on to the consumer as part of the retail price. At the same time, corporate profits after taxes have increased from \$19.6 billion in 1952 to \$28.5 billion in 1959, and \$49.3 billion in 1966. That, too, is passed on as a part of the retail price to the consumer, which accounts for the increasing cost of food and food products to consumers, despite the farmer's declining share of the retail price.

GOVERNMENT COSTS OF VARIOUS LAWS

It will be recalled that over half of the funds expended by the Department have direct benefits to nonfarm people. An analysis included on page 395 of part I of this year's hearings shows that only \$2.2 billion of a total of \$5.8 billion in 1967 was expended on programs with benefits primarily for the farmer.

An analysis prepared by the committee last year shows that the payments to agriculture for price support programs are relatively small when compared to mineral depletion allowances, business reversion payments, and sums paid out of the Federal Treasury to other

segments of our economy. The table which was included in last year's report is repeated below:

<i>Program</i>		<i>In millions</i>
1. Losses under price-support program:		
Basics -----		\$16, 690
Nonbasics -----		6, 804
Total -----		¹ 23, 495
2. Federal programs for—		
Mail subsidies-----		² 11, 479
Subsidies to maritime organizations-----		³ 6, 251
Subsidies to airlines-----		⁴ 1, 322
Business reconversion payments (including tax amortization)---		⁵ 47, 698
Mineral depletion allowances-----		⁶ 60, 897
3. Federal investment in—		
Food and fiber (CCC inventories)-----		⁷ 3, 113
National stockpile of material-----		6, 877
4. Payments to Labor under various laws-----		*

¹ From beginning of program to 1966.

² 1946 to 1965 subsidies to 2d-, 3d-, and 4th-class mail.

³ 1938 to 1967 construction and operating subsidies.

⁴ 1938 to 1967.

⁵ Status as of 1962.

⁶ Since 1925.

⁷ As of June 30, 1966.

* The extra pay which goes to labor as a result of laws providing for minimum wages and the right to bargain and is reflected in increased retail prices is not identifiable and the Committee has been unable to obtain any firm estimate as to such amount.

In reviewing these figures, it should be noted that the amounts shown for agriculture do not include Federal assistance to non-farm consumers through such programs as the special milk, school lunch, food stamp, and other food distribution programs. Nor do they include funds for meat and poultry inspection and other food inspection programs which, in reality, also represent consumer benefits. For fiscal year 1968 the funds for these programs totaled \$936.5 million.

CHIEF EARNER OF DOLLAR EXCHANGE

One of the important contributions of American agriculture to the national economy is its contribution to our balance of payments abroad.

Total agricultural exports increased from \$4.5 billion in 1960 to \$6.8 billion in 1967. Exports for dollars rose from \$3.2 billion to \$5.4 billion during this period. During the calendar year 1967, agricultural exports for dollars exceeded agricultural imports by \$585 million. This more than offset the trade deficit for commercial trade of \$400 million in 1967.

From 1961 through 1967, agricultural exports contributed over \$32 billion to our balance of payments. Even though only 22 percent of total exports are agricultural commodities, they account for over 50 percent of our favorable trade balance.

According to the present Secretary of the Treasury, were it not for increasing U.S. agricultural export sales, our balance-of-payments deficit would be much greater than it is.

The efficiency and productivity of U.S. agriculture has made this country the world's largest exporter of food to the many nations of the world. In recent years the export of U.S. agricultural commodities has increased to the point where production from one out of each four acres is sold abroad. In addition to supplying much needed foreign exchange, this has contributed to the domestic economy by providing

about 1 million jobs in fields related to agriculture—storage, shipping, export, et cetera.

PRODUCTION AND EXPORT POLICIES

In this connection, it is essential that we adopt and follow sound national policies which will enable American agriculture to continue to make its important contributions at home and abroad. Such policies must provide for the production of adequate supplies of agricultural products and the encouragement of sales of these commodities in world markets on a competitive basis.

The charter of the Commodity Credit Corporation provides, and always has provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For the past 15 years or more, this committee has done everything possible to encourage and require exportation and has continued to insist that such commodities be offered continuously in world markets on a competitive basis. During those years when U.S. commodities were kept competitive, export sales increased substantially.

For cotton, for example, the basic law (sec. 302 of the Agricultural Act of 1956 (7 U.S.C. 1853)) requires the Secretary of Agriculture to determine and announce our "fair historical share" of world markets and to sell competitively so as to meet this share of the market each year. However, despite this congressional action, the Department has failed in nearly every year since 1956 to attain the level of export sales determined to be our fair historical share. Figures included on page 391 of part I of our 1969 hearings show the situation:

Marketing year beginning Aug. 1	Initially determined fair share	Actual exports	Deficit or excess
1957-58.....		(1)	
1958-59.....		(1)	
1959-60.....		(1)	
1960-61.....		(1)	
1961-62.....	6.5	6.6	+0.1
1962-63.....	² 5.5	4.9	-.6
1963-64.....	³ 5.0	3.4	-1.6
1964-65.....	⁴ 5.0	5.7	+.7
1965-66.....	5.0	4.1	-.9
1966-67.....	5.0	2.9	-2.1
1966-67.....	5.5	4.7	-.8

¹ Not available.

² Reduced to 5,000,000 later in season.

³ Reduced to 3,500,000 later in season.

⁴ Increased to 5,700,000 later in season.

Information developed by the committee indicates that we will lose many millions of dollars of valuable foreign exchange during the 3 marketing years 1966-67 through 1968-69, unless we attain the export goals for cotton announced on March 9, 1966. This information shows that announced goals of 6 million bales per year would produce an estimated export income of \$1,573.5 million, whereas actual exports of 4.7 million bales in 1966-67, and estimated exports of 3.8 million in 1967-68 and 4 million in 1968-69, will earn approximately \$1,009.7 million. This will fall \$563.8 million short of full potential export earnings.

At present, one of the major reasons for declining cotton exports is the depleted stocks of good quality cotton in the warehouses of the

United States. While this is due partially to poor crop conditions, one of the primary reasons is the faulty policy of unduly restricting the production of cotton in the past few years. This has not only reduced current income to agriculture and other segments of the economy of the United States, but it has also resulted in long-range damage by encouraging foreign countries to expand their cotton production potential.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the actual effect on the Nation's economy of such production restrictions. Preliminary data indicate that the 1967 crop of cotton was about 7.4 million bales, down 2 million bales from the 1966 crop and the smallest since 1895. At a rough value of the equivalent of \$150 per bale to the farmer, this could mean a loss in 1 year of \$300 million of income to the cotton producers of the Nation. The loss of this purchasing power affects not only those who depend directly on farming for a livelihood, but also those engaged in related businesses such as storage, transportation, banking, merchandising, industrial production, and similar activities; particularly in the smaller communities. On the basis that each dollar of agricultural production creates \$7 of activity throughout the economy, this represents a total loss of around \$2 billion to the Nation.

Some years ago, an effort was made to evaluate the effect on the national economy of the faulty policy of holding commodities off world markets, with resulting acreage reductions.

In June 1956, the Under Secretary of Agriculture stated:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production.

Further evidence of our national loss, due to the then existing policies of not producing and selling these farm commodities, is found in a statement released by CARE in 1956, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp.; H. J. Heinz; and others equally successful; such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect

on agriculture itself, being cut back now to absorb surplus commodities.

While more recent data on this point is not available, these statements give some indication of the potential loss to the Nation—even today—from policies which reduce production by encouraging farmers not to farm, and which curtail exports through failure to remain competitive in world markets.

They clearly demonstrate the need to establish and vigorously pursue policies which permit American agriculture to produce what is needed at home and abroad, and which let consumers throughout the world know that we have commodities available for export at competitive prices.

Such policies not only support a healthy agricultural economy in the United States, but help to strengthen the financial position of this country, both in domestic and international markets. Further, they enable this country to be a constant and dependable supplier of food and fiber to the needy populations of the world, both for economic and humanitarian reasons.

Holding agricultural production down to a point of scarcity could be very dangerous to the national interest. Drought, pestilence, or a major international emergency could cause many people in this country and throughout the world to go hungry, even though it might bring higher prices to the producer. Also, such a policy would tend to encourage foreign countries to further increase their output, as has been so clearly demonstrated by past reports of expanded foreign production to offset U.S. reductions.

It is to be noted that, unless production levels are maintained, additional farm units will of necessity go out of production, with increased unemployment problems in the cities as more rural people move to town. How to keep adequate reserves to meet all domestic and export needs, plus a reserve for possible defense needs, without depressing market prices is one of the problems facing the country today. It is the belief of many members of this committee that such reserves should be insulated from the market and charged up to consumer security.

CHIEF BULWARK AGAINST WORLD HUNGER

This country, in addition to providing the most abundant supply of wholesome and delicious food at the lowest cost ever known to the people of the United States, has fed substantial numbers of hungry people throughout the world. These facts have been one of our greatest strengths in meeting domestic needs and in dealing with world problems.

Aside from the possibility of nuclear conflict, probably the foremost problem of the world today is hunger. Approximately half of the world's 3 billion people suffer from malnutrition. In recent weeks reports have been published that malnutrition exists to a great extent in the United States, much of which, apparently, does not come from lack of available foods. The World Food Congress was told a few years ago that around 10,000 persons die every day from starvation.

India has had a continuous food crisis through the years. That vast subcontinent has a year-round hunger problem; so do many other areas in the world. The present outlook is that hunger will grow more and more intense with the passage of time, unless higher yielding strains can provide more adequate food production. The world's population increase is almost unbelievable. Each year, births exceed deaths by almost 60 million.

This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years (1830 to 1930) to reach 2 billion, and only 30 more years (1930 to 1960) to reach 3 billion. Short of a major catastrophe, it is expected to exceed 6 billion people by the turn of the century. The population growth in the United States has kept pace with this worldwide population explosion, increasing from 13 million in 1830 to 123 million in 1930, 179 million in 1960, and in excess of 200 million today. It is expected to exceed 300 million by the year 2000.

The failure of Communist agriculture, a failure which is chronic and deep-seated, has tremendous implications to the hundreds of millions constantly plagued by hunger. The Communist inability to produce efficiently and abundantly is due in large part to a lack of adequate and well directed research, resource conservation, and related agricultural programs, under a system which has tied the hands of Soviet agricultural producers.

PUBLIC LAW 480 PROGRAM

Since the inception of the Public Law 480 program in July 1954, and through December 1967, commodities valued at nearly \$11 billion have been shipped to some 50 different countries under title I foreign currency sales. In addition, some \$748 million of commodities have been shipped to 21 foreign countries under the title I long-term credit sales program.

Since 1954, title II food donations have totaled \$907 million. It is estimated that more than 20 million people in foreign lands have received these gifts of food from the United States. In addition, large quantities of food have been given to needy persons abroad through such nonprofit voluntary relief agencies as CARE, Catholic Relief Service, Church World Service, UNICEF, Lutheran World Relief, and similar organizations. These agencies have distributed commodities worth over \$2.1 billion to over 67 million people in the various food-deficient areas of the world during the past 14 years.

Under today's conditions, however, with a desperate need for additional foreign exchange from sales for dollars, and with increasing financial pressures here at home, expenditures under the Public Law 480 program can no longer be justified at previous levels. This is particularly true when such expenditures are proposed for the coming year at the expense of programs needed to preserve our own resources.

Accordingly, the committee has reduced the Public Law 480 appropriations in the bill to approximately one-third of the 1969 budget request. Even with this cut, the program will have a total of nearly \$1.2 billion available next year, including an expected carryover of \$530,257,000, receipts from sales of foreign currencies of an estimated \$342,600,000, and \$300 million of new money in this bill.

It is the belief of the committee that, with the present supply situation, this action should not seriously affect 1969 operations. However, there are a number of factors of which the committee takes note: (1) These commodities are made available to the governments without dollar payments in exchange. They are then usually sold to the people of such country as any other commodity; (2) by agreement our country has control over the use of the foreign currencies in the recipient country which involves us to a great degree in the internal affairs of such country; (3) the matter of dollar balances and foreign exchange has somewhat reversed itself—now it is our Nation which has the problems with an unbalanced budget and lack of foreign exchange; (4) 480 sales do nothing to earn dollars—one of our greatest needs—and practically nothing to create markets; (5) sales through normal channels at competitive prices would tend to build up a consistent market which 480 sales do not. Friendship between nations and peoples usually follow mutually beneficial trade. Present world conditions seem to prove that seldom do lasting friendships follow where one is the giver, the other the recipient, particularly where the giver requires as a condition commitments as to the internal affairs of the recipient nation.

This committee believes that we have reached the point in our international affairs where our primary attention must be given to the support of efforts of the food-deficient countries to develop their own agricultural resources so as to be able to carry a larger share of the responsibility for feeding their own people. This situation was well stated recently by an official of the Indian Government at a symposium on world food problems when he said: "In India, Public Law 480 has dulled our zest for food production."

AGRICULTURE—PROTECTOR OF OUR HEALTH

American agriculture has made and is making many contributions to the health and well-being of people in this and other countries of the world.

American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Further, such food is the most wholesome and healthful in the world. People in most other countries not only spend more of their income for food than we do—in most cases, they get much less for their money in calories and nutritional balance. Millions of people in other countries cannot afford all the animal proteins that our diet includes. And we enjoy fresh vegetables and fruits the year round.

To fully appreciate the value of this contribution to consumer diets and public health, one need only look at conditions in certain other parts of the world. For example, in the Middle East, it is common to find insect larvae in the fresh fruit placed on tables in the best hotels. The average consumer in America wouldn't consider buying the rusty, scrubby, pitted fruit offered in the public markets of that area.

In Pakistan, severe locust, caterpillar and cricket infestations have ruined and contaminated crops, with disease and starvation the ultimate result. It is virtually impossible to protect supplies of grain in storage in India from ravage and adulteration by weevils, bran beetles, and the world's worst pest of stored grain—the Kharpa beetle, which is now a threat in the United States.

Stored-grain pests are so bad in tropical areas of the world that the race to eat the grain before insects devour it results in frequent periods of starvation. The people compete with the pests for survival. Their low standard of living thus becomes understandable.

The distribution of cattle in Africa is determined primarily by the presence or absence of the tsetse fly. This is a major reason why an African child, once weaned, may never again taste milk. The cattle tick and the human warble or torsalo fly cause tremendous losses to hides, beef, and milk production in Central and South America. Mortality among calves may be as high as 70 percent in some of the most heavily infested areas.

The following programs of the Department of Agriculture relate in varying degrees to the protection of human health in the United States:

Meat and poultry inspection for wholesomeness.

Nutrition research.

Research and control activities to protect foods against excessive pesticides residue.

Research on salmonella, aflatoxins and other harmful bacteria.

Research and information on food preparation to protect human health, such as prevention of trichinosis.

Research and control or eradication activities on animal diseases which are transmissible to man—tuberculosis, brucellosis, tapeworms, and so forth.

Research on storage of food products to maintain wholesomeness, as well as quality.

Monitoring of soil and water to determine whether there has been contamination which could be harmful to persons eating food crops or meat or milk from animals affected.

Health related research on tobacco.

Special milk program.

School lunch program.

School breakfast program.

Food stamp program.

Commodity distribution program.

Pure water loans and grants.

Sewer systems loans and grants.

RESEARCH CONTRIBUTIONS

Agricultural research has made numerous contributions to human health. Its impact extends far beyond our farms to people in all walks of life. The work that entomologists did on chemical compounds led to many advances, including an international effort to control mosquitoes and eliminate malaria. When Department entomologists developed the aerosol bomb, they had in mind protecting GI's from insects. Today, the aerosol is used to dispense some 270 products to serve and protect people in many ways.

Agricultural research scientists developed commercial methods of making penicillin. They also produced dextran, a blood plasma substitute, a starch sponge for medical and surgical use, and discoumeral, a blood thinner of great medical significance.

Research has helped us not only to produce and market our abundant supply of food but also to make better use of it in protecting our health. Nutritionists have learned much about the kinds and amounts of food necessary for optimum growth and health. Through its research in the field of human nutrition, the Department of Agriculture is developing very significant information on the health aspects of fats in our diets, fat metabolism, and cholesterol in the blood. These studies benefit millions of people daily all over the world.

Animal scientists have improved the quality and efficiency of our livestock and poultry and veterinarians have protected their health, and in turn human health. Entomologists have developed new approaches to pest control. Increased research attention is being given to contamination of food products by salmonella and other food poisoning bacteria.

According to U.S. Department of Agriculture experts, we presently face 10,000 destructive insect species in the United States. And there are approximately 50,000 diseases of economic importance to man's food supply. Also, the possibility of invasion by unfamiliar pests and diseases from abroad is greater today than ever before, with the acceleration in international travel as well as the more rapid transportation of animals and freight. Furthermore, increasing concentrations of livestock and crops intensify the danger that invaders will spread quickly—almost explosively, if not properly controlled.

DISEASE AND PEST CONTROL

Nationwide disease control and eradication programs of agriculture are conducted in cooperation with State and local agencies. Laws and regulations are administered to prevent the spread of diseases through interstate shipments of livestock, poultry, and other products.

Through a system of port inspection and quarantines, activities are conducted to prevent the introduction into this country of insect pests and animal diseases of foreign origin. Determinations are made regarding the freedom from diseases of animals, poultry, animal products, food products, and related materials presented for importation from foreign countries.

In this connection, the committee notices the recent change of policy announced on a trial basis for handling the inspection of incoming passengers from abroad. While this proposal may be desirable to attract more visitors, any lessening of vigilance at our borders could be very costly to the health and food supply of this Nation. Only highly trained and well qualified inspectors can be effective representatives of the Department of Agriculture and all the other agencies involved.

Intensive campaigns are being carried on through the Nation to control and eventually eradicate brucellosis, bovine tuberculosis, and other diseases of animals which are also a threat to human health. Such efforts are gradually reducing the extent of the infection. In the case of brucellosis, for example, 82 percent of the Nations has now achieved a modified disease-free status.

FOOD DISTRIBUTION PROGRAMS

The special milk, school lunch, food stamp, and other food distribution programs of the Department of Agriculture play a significant part in the health and welfare of the Nation's consumers of all ages.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. All nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible. In 1967, milk consumed under the program, based on the 3,027.2 million half-pints reimbursed, was more than six times the quantity in 1955—the first year of the program. The volume amounted to more than 21½ percent of the total nonfarm consumption of fluid milk. This was in addition to milk served through the regular school lunch program lunches.

The school lunch program improves the health and well-being of the Nation's children by providing them a well-balanced nutritious lunch at school which helps to supply the kind and amount of foods children need, and by developing proper and nutritionally beneficial food habits which will continue in later life. Experience indicates that children who get lunch under this program, compared with those who do not, show more rapid gain in weight and height, better attendance records, improvement in scholastic standing, better behavior, and higher resistance to colds and other illnesses. The school lunch program furnished over 3.1 billion complete lunches to over 36 percent of the Nation's 50,509,016 schoolchildren in the fiscal year 1967.

The food stamp program helps to improve the diets of low-income families by issuing food coupons of higher monetary value than the cash paid by the recipients. The cash requirement (representing the family's normal food expenditure) and the bonus supplement are both based on family size and income. The coupons may be used to purchase wholesome and domestically produced food items at any approved retail outlet. At the beginning of fiscal year 1967, 1.2 million participants in 324 areas (counties, cities, or welfare districts) in 40 States and the District of Columbia were receiving the benefits of the food stamp program. During the year, the program was progressively expanded to reach a total of 1.8 million persons in 838 areas in 41 States and the District of Columbia.

Under the direct distribution program, over 705 million pounds of commodities were donated to needy families in some 1,369 areas (counties, cities, and Indian agencies) in 1967. In addition, over 21.4 million children in schools, another 1.4 million attending nonprofit summer camps for children, and an additional 1.3 million needy persons in eligible institutions, received donated foods worth \$145.6 million in fiscal year 1967. Also, over 116 thousand pounds of donated foods were consumed by 16,955 needy persons affected by 11 different disasters.

INSPECTION OF FOOD AND FOOD PRODUCTS

Additional programs which are conducted to protect the health of the Nation's consumers are those which provide for licensed inspection of various agricultural products for quality, wholesomeness and freedom from disease and other contamination. These activities include

inspection of meat, poultry, and products prepared therefrom. They also include the inspection of dairy products, fresh and processed fruits and vegetables, grain, and certain other products.

Meat inspection is performed to assure that all meat and meat products produced in plants shipping in interstate and foreign commerce are wholesome, and that foreign establishments producing meat products for export to the United States meet Federal standards for sanitation and wholesomeness of product. In 1967, inspection was performed in 1,973 establishments located in 820 cities and towns. A total of 112.9 million animals were inspected prior to slaughter and a similar number of carcasses were inspected on the slaughtering floors. Supervision and inspection were also supplied for the processing of over 20 billion pounds of meat products. The enactment of the Wholesome Meat Act during the last session of Congress placed a large additional responsibility on the Department for the inspection standards of intrastate meat plants.

Poultry inspection is designed to assure that all poultry and poultry products produced in plants shipping in interstate and foreign commerce are wholesome. In 1967, some 10.9 million pounds of chickens and turkeys were inspected, involving over 2.6 million birds. This inspection was provided on 1,482 processing lines in 905 poultry slaughtering plants.

The other inspection, grading, classing, and standardization services are conducted to develop standards of quality and condition for agricultural commodities and to use them in providing an impartial inspection, classing and grading service; and to participate in the development of international food standards.

AGRICULTURE—CARETAKER OF OUR FUTURE

Since three-fourths of our land area is in private ownership and 60 percent is in farms and ranches, our farmers and ranchers are the principal managers of the Nation's soil and water resources for all the people. How our farmers and ranchers manage the lands under their stewardship for the benefit of all of us determines whether we shall have soil conservation or soil erosion, whether we shall have the right quality and quantity of water, or poor water and not enough of it, not only for agriculture but for the cities and industry.

If this Nation is to survive and prosper, we must continue to provide adequate financial support for our conservation programs designed to assist these custodians of our natural resources to reforest our lands, protect our watersheds, harness our streams for electricity, reclaim our lands through soil conservation, develop our sources of water, and carry on those things which build up the potential economic strength of this Nation.

If we leave to future generations a fertile land, with timber restored, with soil erosion stopped, and with water resources developed, this country will be able to meet its future domestic problems, international threats, and financial needs. If we neglect these basic responsibilities, we will leave future generations nothing to look forward to or to build on. Money alone is of no value. It must be supported by a sound economy based on natural resources to generate new wealth for future generations.

As individuals, we all can live like kings and queens for a short time if we cash in all our insurance, use all our savings, mortgage our homes, and sell our other assets. As a Nation, we can do the same if we are willing to "cash in" on our land, leaving to our children what is left—like previous generations have done in India, China, and the rest of the world we help to feed and clothe today.

We may draw against our silver reserves by substituting copper in our coins. Or we may sell mortgages held by the Federal Government. But if we overdraw on our soil and deplete our forests, every future generation from now on will suffer from the lack of responsible custodianship of the resources placed in the care of the present generation.

MAN'S WASTE OF HIS NATURAL RESOURCES

Perhaps the greatest single fault of mankind through the annals of recorded history has been his failure to preserve and protect the natural resources which provided him with his basic necessities of life—food, clothing, and shelter. History indicates that each civilization developed by mankind through the course of the centuries, regardless of the degree of sophistication and advancement attained, has disappeared from the earth because of man's abuse of the soil, water, forests, and other basic resources passed on to him for his use and custodianship.

One of the most serious questions facing our highly developed civilization of the 20th century is whether or not, through more intelligent use of our natural resources, and through more advanced agricultural technology, we can meet the ever-increasing demands of rapidly expanding populations for food, clothing, and shelter.

A review of the earlier civilizations of the wornout and food-deficient areas of the world indicates what has resulted from the failure of man through the ages to apply an adequate portion of his wealth to the protection of the soil, the forests, the rivers and lakes, and other resources as he used them to feed and clothe himself.

For example, in 3500 B.C. the valleys of the Tigris and Euphrates Rivers supported a large and prosperous civilization. By the year 2000 B.C., great irrigation developments had turned this part of the Middle East into the granary of the great Babylonian Empire. Today, however, less than 20 percent of this area is cultivated because, as they became urbanized, the people of that civilization failed to continue to preserve the productive capacity of the land. According to LaMont C. Cole of Cornell University :

The landscape is dotted with mounds, the remains of forgotten towns; the ancient irrigation works are filled with silt, the end product of soil erosion; and the ancient seaport of Ur is now 150 miles from the sea, its buildings buried under as much as 35 feet of silt.

Extensive irrigation systems were established in the valley of the Nile before 2000 B.C. to create the granary for the Roman Empire. This land, which was made fertile by the annual overflowing of the Nile, continued to be productive for many centuries. However, in recent years, as the result of more intensive use of the land and inadequate attention to conservation measures, the soils have deteriorated and salinization has decreased the productivity in the valley to the

point where this area is now largely dependent on food shipments from other parts of the world to feed its people.

Ancient Greece had forested hills, ample water supplies, and productive soil. In parts of this area today, the old erosion-proof Roman roads stand several feet above a barren desert. Ancient irrigation systems in many parts of China and India are abandoned today and filled with silt. Most of India's present land problems are due to excessive deforestation, erosion and siltation made necessary by tremendous population growth during the past two centuries.

The highly developed civilizations of ancient Guatemala and Yucatan are merely history today. Archeologists believe that they exploited their land as intensively as possible until its fertility was gone and their prosperous civilizations vanished.

The city-states throughout history have failed to realize that the cost of food, clothing, and shelter is going to be paid, either by the consumer or by the land from which it comes. They have ignored the fact that soil cannot be cultivated year after year unless as much fertility is put back each year as is taken out.

WASTE OF NATURAL RESOURCES IN THE UNITED STATES

The United States is still a young country in relation to the ancient civilizations referred to above. During our short history, however, we have used up and destroyed vast amounts of the plentiful supply of natural resources which were here when the Pilgrims landed at Plymouth Rock. The continuation of such abuse could eventually reduce this country to a barren wasteland with the low standard of living found in much of Asia and the Middle East.

This country had 8,000 billion board feet of timber about 150 years ago. Today we have around 1,600 billion board feet left—only 20 percent of the original stand. This terrible waste of timber resources points up the extent to which our highly competitive economy can deplete a national asset in the generation of new wealth. It points up the need for continuing and expanding conservation efforts on a national basis.

Only 175 years ago we had 500 million acres of fertile soil in this Nation. We have already wasted 200 million acres (40 percent) and another 100 million acres (20 percent) is washing away today. It has been estimated that an average of 40 acres of top soil flows down the Mississippi River each day of the year. Also, estimates are that more than 1 million acres of arable land are lost to residential areas, highways, and other urban developments each year.

We in the United States have depleted our forests, our soil fertility, and our sources of water and other natural resources to support large public expenditures both at home and abroad. The pressures of the population explosion here in this country and elsewhere in the world have put a heavy strain on U.S. productive capacity. The tremendous costs of national defense at home and military assistance in other parts of the world have been financed at the expense of our basic resources.

WE AID FOREIGN COUNTRIES

In addition, we have expended billions of dollars since World War II in assisting other countries throughout the world to rebuild their

natural resources through soil and water conservation programs, flood control and power projects, irrigation, reclamation, and other conservation practices. At the same time, we have done less conservation work in this country than is actually needed and can be fully justified.

Information received from the Agency for International Development (AID) indicates that between \$50 and \$60 million has been spent in foreign countries in recent years for foreign assistance programs in conservation and development of natural resources, including watershed management, land and water resources inventories, and soil and water conservation. In addition, data previously carried in hearings of the Public Works Subcommittee of the House Committee on Appropriations show that in excess of \$2 billion have been spent by AID and predecessor agencies since 1954 for projects identifiable with irrigation, reclamation (including flood control) and power development, as follows:

[Millions of dollars]

Region	Total	Development loans	Other
Total, all projects.....	\$2,005.0	\$1,523.9	\$481.1
Near East and South Asia.....	1,171.4	980.4	191.0
Latin America.....	197.3	182.9	14.4
Far East.....	421.6	198.4	223.2
Africa.....	157.2	122.5	34.7
Europe.....	57.6	39.8	17.8
AID (fiscal years 1962-66).....	948.4	888.7	59.7
Near East and South Asia.....	607.4	573.1	34.3
Latin America.....	175.6	173.4	2.2
Far East.....	103.0	92.6	10.4
Africa.....	62.4	49.6	12.8
Predecessor agencies.....	1,056.6	635.2	421.4
Near East and South Asia.....	564.0	407.3	156.7
Latin America.....	21.7	9.5	12.2
Far East.....	318.6	105.8	212.8
Africa.....	94.8	72.9	21.9
Europe.....	57.5	39.8	17.7

SOIL AND WATER CONSERVATION

Remarkable progress has been made in soil and water conservation in the United States in the last 25 years. As of June 30, 1967, there were 2,121,248 district cooperators engaged in Soil Conservation Service planning and installation programs. This number includes a backlog of about 464,000 cooperators, owning or operating some 173 million acres, who have not as yet been assisted in the development of conservation plans for their land.

The major part of the soil conservation job still lies ahead, however. The United States continues to suffer heavy soil erosion losses. Some 120 million acres are endangered seriously, and only about a third of our land is safeguarded adequately. More than half the estimated \$1.2 billion average annual flood water and sediment damage in the United States occurs on the headwater streams and small tributaries. And sediment causes costly damage to the Nation's 10,000 major water storage reservoirs. *The amount of erosion-produced sediment dredged annually from our rivers and harbors exceeds the volume of earth dug for the Panama Canal.*

Increased farm production resulting from tremendous advances in science and technology tends to obscure the fact that, to meet food and fiber needs of a few years hence, this country will need the production equivalent of around 200 million more acres, based on current yields. Since we do not have additional acres of cropland available in the United States, this production must come largely from increased yields on existing cropland. This is in the face of continuing annual losses of some 400,000 acres of cropland because of erosion, and three times that amount each year through conversion of good farming land to urban and industrial uses.

Nearly one-fourth of the people of the Nation face problems of water shortage, poor water, or both. The rate of water use predicted for 1980 is nearly twice what it was in 1955. In some areas of this country we are already finding that expansion of population and industry is limited by the lack of adequate sources of water.

During our budget hearings on the 1969 budget this year, the Administrator of the Soil Conservation Service outlined the future needs for resource conservation in the following words (pages 150-151, part I) :

In its report "Resources in Action, Agriculture/2000" issued in 1967, the Department of Agriculture pointed up the dimensions of the requirements on land and water resources which underscore the urgency of conservation action. By then we expect to see: food needs almost doubled; wood product needs about doubled; water needs for municipal use doubled; for manufacturing use, quadrupled; outdoor recreational land requirements more than doubled; irrigation withdrawals of water up 50 percent; twice as much land used for homes, schools, factories, and other urban purposes; 8 million more acres of land used for reservoirs; 5 million more acres of land used for wildlife refuges; and 4 million more acres of land used for transportation.

AGRICULTURAL CONSERVATION PROGRAM

Through the years, the agricultural conservation program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily apply needed conservation measures. It is used in all agricultural counties in the 50 States, Puerto Rico and the Virgin Islands. Conservation practices were carried out under this program in 1967 on about 1 million farms and ranches, covering nearly 400 million acres.

This program has served the Nation well for a quarter of a century. It has helped to meet the public responsibility for protecting and conserving the soil, water and woodland resources of the Nation. The accomplishments of this program have been significant. During the 30 years from 1936 to 1966, stripcropping has been established on over 112 million acres of cropland, and nearly 30 million acres have been terraced. Over 1.9 million storage dams and reservoirs of various types and sizes have been built, and over 53 million acres have been protected through erosion control and water conservation.

During this period, this program has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of the practices, plus his labor. The per capita annual cost is about \$1.40. The per farm cost is around \$200 and the investment per acre of farmland is around 55 cents.

During our hearings this year on the 1969 budget, the Administrator of the Agricultural Stabilization and Conservation Service made the following significant statement concerning this program (page 204, part III) :

Farmers' requests under the agricultural conservation program each year for the past several years have been more than three times the available funds that we had for cost sharing. We know from past history that the conservation work was not being accomplished before we began the cost-sharing method that really started in 1936. We also know from past history of other nations throughout the world that conservation of the land as such was never accomplished or never undertaken or never adequately accomplished. We somehow or other came forth, Congress in its wisdom came forth, in 1936 with an incentive concept which provided to farmers a means of accomplishing conservation. Congress in effect said it is in the public interest that we keep this soil of ours productive and that we keep the land that is being farmed in a productive state.

WATERSHED PROTECTION AND FLOOD PREVENTION

Flood prevention work on the 11 original watersheds was initiated by the Flood Control Act of 1944. Work has been in process under the supervision of the Department since that time. This committee has frequently provided more funds than requested for this purpose and has consistently urged the Department to speed up construction to prevent continued loss of soil and water and to save money in view of steadily increasing construction costs.

Recognizing the value of this upstream watershed approach to our conservation efforts, and realizing the need for such work throughout the entire United States, the committee initiated the watershed protection program in 1954 by adding \$5 million not requested in the budget to initiate conservation work on about 60 pilot demonstration projects in various areas of the country. This program was so well received and proved so successful that Public Law 566 was adopted the following year to establish a permanent upstream watershed program on a nationwide basis.

Since that time, there has been a tremendous growth in local demand for planning and construction assistance under the Public Law 566 watershed protection program. As of June 30, 1967, the number of applications for planning received from local organizations totaled 2,653. These applications covered 194,069,500 acres in 49 States and Puerto Rico. As of June 30, 1967, a total of 1,311 applications has been approved for planning since the inception of the program, and 1,017 remained to be planned. The rest have been cancelled or completed. A total of 817 projects were approved for construction as of June 30, 1967, with 658 projects still uncompleted.

RESTORATION OF CONSERVATION FUNDS

A comparison of the 1968 appropriations and 1969 budget estimates for the soil conservation programs of the Department follows:

SOIL CONSERVATION SERVICE

	1968	1969	Increase (+) or decrease (-)
Conservation operations.....	\$113,500,000	\$116,313,000	+2,813,000
Watershed planning.....	6,000,000	6,224,000	+224,000
Watershed protection.....	70,403,000	42,148,000	-28,255,000
Flood prevention.....	25,753,000	12,395,000	-13,358,000
Great Plains conservation program.....	16,336,000	13,414,000	-2,922,000
Resource conservation and development.....	6,129,000	6,474,000	+345,000
Total, SCS.....	238,121,000	196,968,000	-41,153,000

AGRICULTURAL CONSERVATION PROGRAM

Program authorization.....	\$220,000,000	\$100,000,000	-120,000,000
Liquidating appropriation.....	220,000,000	195,500,000	-24,500,000

A majority of the members of the committee are opposed to the proposed reductions in the various conservation programs of the Department. The large number of communications received from Members of Congress on both sides of the Capitol, as well as many non-Government individuals and organizations, would indicate that this position has wide support throughout the Nation.

Accordingly, the committee has provided funds to continue these conservation programs at or close to the operating levels approved by Congress for fiscal year 1968. These restorations are based on the committee's belief that we must continue our nationwide conservation efforts to avoid the fate of the countries of Asia and Africa which are dependent on the United States for a major portion of their food supplies. The committee has reduced funds requested in the 1969 budget for sales for foreign currencies and donations under Public Law 480 by over \$618 million—nearly four times as much as the amount restored for the preservation of the natural resources of our own Nation.

Work on the 11 major watersheds under the flood prevention appropriation is far behind a satisfactory and economical rate of progress. When these projects were authorized in 1944, it was estimated that they would take about 15 years to complete. In 1968, some 24 years later, the work on these projects is only 55 percent complete on the average. The proposed 1969 rate of obligation would extend the completion date even farther into the future. On this basis, the date of completion for one of the major watersheds would be 1989—21 years in the future. At the 1967 level of operation, this project could be completed 9 years earlier. With ever-advancing construction costs, earlier completion would be a substantial saving to the taxpayers.

The figures presented for the Public Law 566 watershed protection program show that by June 30, 1968 there will be an estimated 1,077 projects awaiting planning and 693 projects still under construction. Testimony presented to the committee indicates that the local sponsors of these projects are anxious to move ahead at a much faster rate.

In some cases, delays in obtaining local easements and funds have been overcome and the local organizations are fully equipped to proceed. In other cases, project sponsors have already assumed financial obligations to provide such easements and funds, only to find that Federal funds are being withheld, despite Government assurances that their projects would proceed at a normal rate.

Data included by the Department on pages 174-177 of part I of our 1969 hearings show that a total of 66 local sponsors have obligated themselves financially and are ready to meet their share of resources needed to proceed with those projects. Tables on pages 178-184 of these same hearings list an additional 223 projects agreements which will be ready for signature by June 30, 1968, even though funds made available by the executive branch for 1968 are inadequate to proceed with such projects. The appropriations proposed for this program in the 1969 budget are even more restrictive.

These executive branch actions are not only incompatible with the best interests of this Nation, but they are inconsistent with the statements and pronouncements of the leaders of that branch of the Government. In a speech to the natural resources committees of the U.S. Chamber of Commerce on February 2, 1968, the Secretary of Agriculture stated:

It is no secret that we are facing an environmental crisis. It affects every one of the basic elements of the biosphere—air, earth and water, and every one of us.

In this same speech he stated:

That brings us to the oldest of all water pollutants—one that was around long before man came on the scene—silt and sediment. The cost of sediment in our reservoirs alone is \$100 million a year. Sediment ruins recreational lakes, kills fish, costs millions in taxes for dredging and filtering, and carries other pollutants into the water. Total yearly silt pollution damage is in excess of \$346 million.

He also made the following significant statement:

Soil is going to wind up somewhere. It's a solid part of our environment. That leads me to a rhetorical question: Is it better, through erosion control measures, to pay a little bit to keep useful soil on the land—or is it better to pay a great deal more at the other end of the line, and dredge that soil out of some river or reservoir? The comparative costs are 1 to 20. That is, it averages 20 times as much to dredge sediment out of water, as it would have cost to keep it as soil on the land, leaving aside the productive loss to the farmer from his lost topsoil.

At his Second Annual Farm Policy and Rural Life Conference on March 25, 1968, the President is reported to have made the following significant statement:

So many times when I have read these reports on our cities, and I have seen the wreckage on the television film at night or our towns burning, I have just wondered if we could have just spent a small proportion of the money that we're going to have

to spend now in those cities, in helping to keep the people where they could live on the farm, how much better it would be.

DIVERSION OF FUNDS

The conference report on the 1968 appropriations bill called attention to the growing practice in the executive branch of financing a portion of the cost of various special boards, councils, and commissions created by Executive action from assessments made against appropriations provided for specific programs and projects of the Department of Agriculture. It pointed out that in nine instances during the previous year, funds appropriated by Congress for specific programs of the Department of Agriculture were transferred to finance such outside organizations. It stated:

In the opinion of the conferees, this practice results in duplication and overlapping, permits the establishment of less essential programs at the expense of more valuable activities, and therefore should be discontinued. Each such proposed diversion of funds should have prior review and approval of Congress.

The authority cited by the executive branch for this practice is section 214 of the Independent Offices Appropriation Act of 1946. There is nothing to indicate this provision was to have general application. Thus, we have provided a restriction on further use of such authority.

Since the adoption of the conference report in October, 1967, the Bureau of the Budget has called on the Department on a number of occasions to provide funds for councils and commissions not directly related to the Department of Agriculture. The committee has no record of advance congressional approval of these additional assessments against funds provided for the regular activities of the Department, as required by the conference report language quoted above.

In order to make certain that the executive branch follows the congressional directives on this matter, the 1969 agriculture appropriation bill carries language to prohibit unauthorized diversions of funds provided by Congress for specific projects and programs. This provision, which is found in section 508 of the general provisions, reads as follows:

None of the funds in this Act shall be available to finance interdepartmental boards, commissions, councils, committees, or similar groups under section 214 of the Independent Offices Appropriation Act, 1946 (31 U.S.C. 691) which do not have prior and specific congressional approval of such method of financial support.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z—15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts cost-of-production, utilization, nutrition, marketing, and consumer use research, plant and animal disease and pest control and eradication activities. The Administrator of this Service is also responsible for the coordina-

tion of all research of the Department. The Service also carries out emergency programs, when necessary, for the control and eradication of animal diseases and for the control of emergency outbreaks of insects and diseases.

The Service directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended.

Research.—The bill includes an appropriation of \$125,972,500, plus a transfer of \$15,000,000 from section 32 funds, for the coming fiscal year. The appropriation recommended is the same as was provided for fiscal year 1967. It is a decrease of \$10,300,600 in the budget request and is \$10,803,000 below the 1968 appropriation.

The increases and decreases as compared to available funds for fiscal year 1968 are as follows:

Appropriation Act, 1968-----	\$136, 775, 500
Transfers:	
From section 32 for research projects-----	+15, 000, 000
From CCC for cotton research-----	+275, 000
To GSA for rent-----	—4, 400
To pest control for pay costs-----	—1, 826, 000
To other agencies for pay costs-----	—3, 451, 000
Adjusted base-----	146, 769, 100
Increases and decreases approved:	
To annualize pay costs-----	+1, 360, 000
Activities discontinued in 1968-----	—1, 265, 500
Nonrecurring plans and construction-----	—4, 350, 000
Lapses from 1968 reductions-----	—2, 668, 000
Restore 1968 deferrals (partial restoration)-----	+1, 126, 900
Net decrease-----	—5, 796, 600
Total for 1969-----	140, 972, 500
Less: Transfer from section 32-----	—15, 000, 000
Total in bill for 1969-----	125, 972, 500

The amount recommended includes the full funds requested to annualize the pay increases in fiscal year 1969. It also provides \$1,126,900 to reinstate the most essential research activities deferred in fiscal year 1968. Of highest priority is the utilization of new research facilities which have been constructed with funds provided in previous years and are now ready for operation. In view of the lack of funds, however, no additional money has been provided for new planning or construction projects in fiscal year 1969.

Within the funds provided, the Department is directed to give special attention to the following urgent needs:

(1) A survey of the wheat rust problem in Montana looking toward increased testing and selection of rust resistant varieties for production in that area.

(2) The continuation of a contractual arrangement for sugar cane refining research on the manufacture and use of sugar cane. Also, additional research on root maggots and disease resistant varieties of sugarbeets is essential to the future of this important segment of agriculture.

(3) Reconsideration of the elimination of research on improved work methods, equipment and layout for efficient food handling during wholesaling and retailing. This work is highly important to the maintenance of competition between small and large organizations. The larger chainstores can afford to do this type of research, but the smaller retailers and wholesalers do not have the financial ability to keep pace without some Federal research of this type.

(4) Increased research on improving plant sources of protein of corn, wheat and rice. Plants offer significant possibilities as a means to increase both quantity and quality of proteins to meet the challenge of the rapidly expanding food needs throughout the world.

(5) A feasibility study of a proposal of the Pan American Tung Research and Development League for fundamental and developmental research on tung oil and its basic oleostearic acid constituent.

(6) Expansion of the planning authorized last year for the Grasslands Restoration Center so as to combine the additional Federal research in the Temple, Texas area into one facility.

The amount provided includes as a direct appropriation \$275,000 for research which was provided in fiscal year 1968 as a transfer from the Commodity Credit Corporation. Of this amount, \$170,000 is to be allocated to the Southern Utilization Laboratory, including \$100,000 for continuation of a research contract with Texas Tech University in fiscal year 1969. The balance of \$105,000 is to be used to continue research on automated cotton classing.

In the completion of the present addition to the National Sedimentation Laboratory, the committee expects proper equipment and facilities to be installed to conduct research on sedimentation and all other pollutants so as to meet the nationwide need for research in all aspects of pollution of our rivers, streams, reservoirs, and harbors.

The Department of Agriculture began as a research institution. One of the moving forces behind the amazing evolution in American agriculture has been our progress in agricultural science and technology. Many of these advances have begun with the agricultural research carried on cooperatively by the Department of Agriculture and the State experiment stations, supplemented by industrial research. It has been through research that fewer and fewer people have been able to furnish our food and fiber.

One of the major problems of the research programs of the Department is to keep ahead of research needs. The research programs must anticipate future problems and devise ways to solve them before they emerge. Much of the research being done today will not begin to influence agriculture for another 10 to 15 years. Research administrators must foresee what future conditions will be—judging from present information—and develop answers that will be needed in the future.

The committee has supported the research programs of the Department through the years. It has provided funds each year as fully as could be justified within the financial limits of the Federal budget. Funds provided for such research have proved to be a sound investment.

Research appropriations have increased steadily as research has continued to demonstrate its valuable contribution to the growth of

the national economy and the rising standard of living of the people of this country. During the past 36 years, the research funds of the Department have increased from \$20.4 million in 1932 to an estimated \$276 million for 1968. (Note: These figures include all research programs of the Department, including six agencies in addition to the Agricultural Research Service.)

A summary table of the increases in research funds during this period follows:

[Dollar amounts in millions]

Fiscal year	Amount	Percent increase
1932-----	\$20.4	-----
1940-----	29.0	40
1950-----	58.1	185
1960-----	135.1	562
1965-----	236.6	1,060
1968-----	276.0	1,256

Plant and animal disease and pest control.—The committee recommends an appropriation of \$85,298,500 for the next fiscal year, a decrease of \$3,349,000 in the budget estimate and a decrease of \$503,500 in the 1968 appropriation. The amount recommended is the 1968 actual obligation level, which will enable the continuation of the disease and pest control programs at the present operating level, is believed by the Committee to be all that will be matched by the counties and States affected.

For fiscal year 1968, the Congress directed the Department to enforce the Laboratory Animal Welfare Act at a cost not to exceed \$1,200,000. We have continued this directive for fiscal year 1969. While the committee is disappointed that the Department has not moved faster on this program during the current year, the Administrator of the Agricultural Research Service reports that all known dealers, 183 in number, have been inspected at least once, and some have been visited several times. Also, 532 research facilities have been registered and about half of their 1,500 locations have been inspected at least once. To date, 18 cases have been found to not be in compliance and nine of these have been referred for prosecution. These activities have involved the full time of three veterinarians and four supporting personnel in Washington and the part-time services of 73 veterinarians, 41 livestock inspectors, and 10 clerks in the field.

A budget increase of \$50,700 was proposed for 1969 to initiate research to determine the need for exercise of animals being held for laboratory use. The committee recognizes that space for exercise should be a requirement. The Department should issue the necessary directives and regulations based on information already available on this subject.

Special foreign currency program.—In fiscal year 1958, the Department initiated a research program abroad utilizing foreign currencies generated by the sale of surplus agricultural commodities under title I of Public Law 480. Originally confined to market development research authorized by section 104(b)(1) of Public Law 480, as amended, the program was subsequently expanded to include agricultural and forestry research under section 104(b)(3) of the law, as amended. It now involves work in the following general areas: Farm research, utilization research, marketing research, forestry research, agricultural economics research, and human nutrition research.

This research is conducted with local currencies in countries in which the United States has foreign currency available in excess of normal U.S. requirements. The dollars appropriated for this purpose are used to purchase these excess currencies from the Treasury Department. Since the dollars remain in the United States, and since this country owns large amounts of excess currencies in some 15 countries, their use for research and market development purposes appears fully justified.

An appropriation of \$4,500,000 is included in the bill for the coming fiscal year. This amount, which is the 1967 appropriation level, is a reduction of \$4 million in the 1968 appropriation, and \$8,200,000 in the 1969 budget request. In addition, a carryover of \$341,000 of prior-year funds will be available in 1969.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 31, 1961, under Reorganization Plan No. 2 of 1953. The Service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955 (Hatch Act of 1887, as amended), (2) payments under section 204(b) of the Agricultural Marketing Act of 1946 to State agricultural experiment stations, (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958, (4) grants for cooperative forestry research under the act approved October 10, 1962, and (5) grants for facilities under the act of July 22, 1963.

A total of \$58,958,000 is provided for fiscal year 1969. This is a decrease of \$3,221,000 in the 1969 budget estimate and is \$4,155,000 below the 1968 appropriation. The amount approved will permit the continuation of the present level of operation for the various programs of this agency.

In the opinion of the Committee, the funds provided for the research and extension program of the land-grant universities should be used to maintain the Federal share of salaries on a basis comparable to those of other Federal employees. Where necessary, this should be done by not filling vacancies.

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended. The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct the joint educational programs adapted to local problems and conditions.

The Federal Extension Service provides for leadership, counsel, and assistance to the 50 States and Puerto Rico. This staff, which is located primarily in Washington, serves as liaison between the Department of Agriculture and the States, provides leadership and assistance to the States in the conduct of the program, administers Federal laws authorizing extension work and coordinates the work among the States, and provides leadership in and coordination of the educational phases of all programs under the jurisdiction of the Department.

The following appropriations are provided for the various programs of the Extension Service:

Payments to States and Puerto Rico-----	\$78, 532, 500
Retirement costs for extension agents-----	8, 818, 500
Penalty mail-----	3, 299, 000
Federal Extension Service-----	2, 838, 000
Total, Extension Service-----	93, 488, 000

The amounts included in the bill are \$3,114,000 less than appropriated for fiscal year 1968 and \$4,141,000 less than requested for fiscal year 1969. They provide for the continuation of Federal support for extension programs at the present funding level.

As indicated under the Cooperative State Research Service, the Federal funds should be used to maintain salary levels on a basis comparable to other Federal employees, by not filling vacancies where necessary.

Last year the Congress provided a substantial increase for 4-H Club activities. In its report, the committee stated:

In view of the many agencies of the Department and the entire Federal Government engaged in community development activities, the committee feels that the additional funds can be used most effectively in programs which work directly with the youth of this Nation. The wholesome effect of 4-H Club activities has been so beneficial to rural youth that additional efforts to bring 4-H programs to young people in the congested and deprived urban areas of the United States would make an invaluable contribution to the moral, spiritual, and economic strength of this Nation.

In the light of recent difficulties in many of the major cities of this country, work with urban and rural youth is even more important today. The committee feels, therefore, that the Extension Service should give increased attention to the 4-H Club programs of the Nation during the coming fiscal year.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management

policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their business. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The amount recommended for fiscal year 1969, \$1,341,000, is \$507,000 less than requested for fiscal year 1969. The increase of \$37,000 over fiscal year 1968 covers the 1968 portion of the Pay Act costs and will permit the programs of this agency to continue at the present operating level.

The Secretary of Agriculture is giving increasing encouragement to farmers to organize themselves into cooperatives to give them more "muscle" in the marketplace. While this approach may bring some beneficial results, if carried out in a fair and reasonable manner, it must be handled very carefully, since a very real danger is inherent in attempting to control the supply of food through monopoly practices or centralization of bargaining power.

In the pursuit of these objectives, the Secretary should give full recognition to the farm programs which have been authorized since 1935. Under these programs, loans could be obtained on storable commodities to enable the farmer to hold them for the most favorable market conditions. He could surrender them to the Commodity Credit Corporation where market conditions warrant such action.

The section 32 program provides indirect price supports to the producer of fruits, vegetables, meats, and other perishable or nonstorable commodities by removing surpluses from the marketplaces before they depress prices.

These long-established and time-tested programs have worked well in the past, except where faulty government policy held U.S. commodities off world markets. There is much reason to believe that the original program of loans on storable commodities and purchases, and diversion of surplus perishable commodities, if properly operated, remains best and should be continued in preference to any other system proposed to date. The movement to strengthen the farmers' bargaining power should not be substituted in any way for these existing programs.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935. It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

Conservation operations: The Service produces technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs.

Watershed planning: The Service has general responsibility for making investigations and surveys of proposed watershed projects

in response to requests from sponsoring local organizations and for assistance in the development of watershed work plans.

Watershed protection: The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

Flood prevention: The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures. The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

Great Plains conservation: The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated counties of the 10 Great Plains States.

Resource conservation and development activities: The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Conservation operations.—An appropriation of \$114,893,000 is included in the bill for fiscal year 1969. This is a decrease of \$1,420,000 in the 1969 budget estimate. The increase of \$1,393,000 over the fiscal year 1968 appropriation will cover the Pay Act increases made in 1968. The amount approved is the 1968 actual funding level, after the withdrawal of funds in 1968 as determined by the Secretary of Agriculture.

The amount provided for this activity in fiscal year 1969 will require some reduction in man-years next year, due to pay increases and other higher operating costs. This should be more than offset, however, by the additional man-years which will be available from the increased transfers from the agricultural conservation program on the basis of the restoration of the full \$220 million advance authorization for 1969 proposed in this bill.

A full discussion of man's abuse of his natural resources through the annals of history, the soil and water conservation problems facing this Nation now and in the future, and the basis for the committee recommendations on the 1969 funds for the soil and water conservation programs of the Department, will be found earlier in this report, pages 22-29.

Watershed programs.—The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, this committee provided \$5 million in the 1954 appropriation act, without a prior budget estimate, to authorize 62 small "pilot" watershed proj-

ects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, Congress enacted Public Law 566, 83d Congress, which placed this program on a permanent basis. Also, under authority of section 8 of this same act (as amended) loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations included in this bill for Public Law 566 projects designated as "watershed planning" and "watershed protection," and through a separate appropriation, "flood prevention," which covers the 11 original major watersheds.

For *watershed planning*, the 1968 actual operating level of \$6,165,000 is recommended. This is a decrease of \$59,000 in the 1969 budget request. The increase of \$165,000 over the 1968 appropriation is required to meet Pay Act increases approved in fiscal year 1968. The level of 100 new planning starts which has been approved by Congress for the past 3 years is approved again for fiscal year 1969.

For *watershed protection*, a new appropriation of \$65 million, plus an estimated carryover of \$6,715,000, is provided for the next fiscal year. This will enable the program to be continued at about the 1968 authorized level. The committee has restored the proposed budget cut for this program because of its belief that we must continue our nationwide conservation efforts to avoid the fate of the countries of Asia and Africa which are dependent on the United States for a major portion of their food supplies.

As of June 30, 1968, there will be some 693 projects under construction, plus an additional 117 expected to be ready for construction. The previous level of 80 new construction starts is approved again for 1969.

As pointed out earlier in this report, testimony presented to the committee indicates that the local sponsors of these projects are anxious to move ahead at a much faster rate, and delays in obtaining local easements and funds have been overcome and many local organizations are fully equipped to proceed. In other cases, project sponsors have already assumed financial obligations to provide such easements and funds, only to find that Federal funds are being withheld, despite Government assurances that their projects would proceed at a normal rate.

As previously mentioned, a total of 66 local sponsors have obligated themselves financially and are ready to meet their share of resources needed to proceed with those projects. In addition, there are 223 projects agreements which will be ready for signature by June 30, 1968, even though funds made available by the executive branch for 1968 have been inadequate to proceed with such projects.

For *flood prevention*, an appropriation of \$20 million, plus an estimated carryover of \$5,800,000 is proposed for fiscal year 1969. This will fund the program at approximately the 1968 authorized level.

The restoration of the proposed budget reduction for this program is based on the factors outlined earlier in this report. As pointed out previously, work on the 11 major watersheds under this program is far behind a satisfactory and economical rate of progress. When these projects were authorized in 1944, it was estimated that they would take about 15 years to complete. In 1968, some 24 years later, the work is only 55 percent complete on the average. The proposed 1969 rate of

obligation would extend the completion date even further into the future. On this basis, for example, the date of completion for one of the major watersheds would be 1989—21 years in the future. At the 1968 level of operation, this project could be completed 9 years earlier. With ever-advancing construction costs, earlier completion would be a substantial saving to the taxpayers.

Great Plains conservation program.—The Great Plains conservation program was authorized under Public Law 1021, 84th Congress (16 U.S.C. 590p), to provide farmers and ranchers in the critically erodible areas of the Great Plains with assured conservation cost sharing and technical assistance. The program is designed to protect, improve, and conserve the soil, water, plant, and wildlife resources of this vast agricultural area and help to stabilize its economy. The work supplements other soil and water conservation programs and activities in counties designated by the Secretary. It is also coordinated with the programs and objectives of locally managed conservation districts, State agencies, and community groups.

The bill includes an appropriation of \$16 million for fiscal year 1969. This amount will fund this program at close to the 1968 appropriation level.

The increase of \$2,586,000 in the budget estimate is based on the urgent need for additional conservation work in the "dust bowl" area of the Great Plains States. Also, the number of unserved applications continues to increase—from 4,649 in 1967, to 6,374 in 1968, and 7,774 in 1969. The following table indicates the facts:

Explanation	1967 actual	1968 estimate	1969 estimate
Applications for assistance received:			
Current fiscal year.....	4,809	4,679	4,500
Cumulative to June 30.....	32,521	37,200	41,700
Contracts signed:			
Current fiscal year.....	4,069	2,954	3,100
Cumulative to June 30.....	27,872	30,826	33,926
Acreage in contracts:			
Current fiscal year.....	5,795,204	3,814,032	4,418,000
Cumulative to June 30.....	51,185,968	55,000,000	59,418,000
Unserved applications:			
Number.....	4,649	6,374	7,774
Acreage.....	11,414,498	15,300,000	18,000,000

Resource conservation and development.—This program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned function. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

An appropriation of \$6,256,000 is recommended for fiscal year 1969. While this is a reduction of \$218,000 in the 1969 budget request, it provides an increase of \$127,000 over 1968 to cover Pay Act costs incurred in that year. This will enable the program to continue next year at the current operating level.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The 1968 actual funding level of \$12,789,000 is proposed to continue the activities of this agency at the current operating level in fiscal year 1969. This is a reduction of \$1,175,000 in the 1969 budget estimate. The increase of \$368,000 over 1968 is provided to meet the Pay Act costs incurred in 1968.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical program requirements, and special surveys of market potentials for agricultural products.

The bill includes \$14,184,500 for the next fiscal year, a decrease of \$489,500 in the 1969 budget request. The increase over 1968 provides an additional \$405,000 for 1968 Pay Act costs, less a nonrecurring cost of \$51,000 for parity index revisions. The appropriation recommended will permit operations in 1969 to continue at the present level in fiscal year 1968.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service was established February 8, 1965. Its predecessor organization, the Agricultural Marketing Service, was established November 2, 1953, under authority of section 161, Revised Statutes, Reorganization Plan No. 2 of 1953 and other authorities. The Service carries on the following principal programs:

Consumer protective, marketing and regulatory programs: These activities contribute to the efficient and orderly marketing of agricultural commodities. They include the Market News Service; meat and poultry inspection; other inspection, grading, classing and standardization services; and regulatory activities such as the Federal Seed Act, U.S. Warehouse Act, Standard Container Act, and others.

Payments to States: The Service administers the matched fund program for marketing activities carried out through cooperative arrangements with State departments of agriculture and similar State agencies.

Special milk program: Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

School lunch program: Federal assistance is provided to States, Puerto Rico, Virgin Islands, American Samoa, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children, and broaden the market for agricultural food commodities. The pilot school breakfast program, nonfood assistance and grants for State administrative expenses, authorized by the Child Nutrition Act of 1966, are aimed at closing existing gaps in child nutrition.

Removal of surplus agricultural commodities and marketing agreements and orders: These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (a) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416 of the Agricultural Act of 1949; and cooperation with the food trade and others to encourage consumption of abundant foods; (b) formulation and administration of marketing agreements and orders.

Food stamp program: The present program is authorized by the Food Stamp Act of 1964 (P.L. 88-525, approved August 31, 1964). It is aimed at making more effective use of the Nation's food abundance and at improving nutritional standards of needy persons through the issuance of food coupons which may be used in retail stores for the purchase of commercial brand foods.

Food management preparedness: The Service fulfills the Department's defense responsibilities under Executive Order 10998 of preemergency preparedness and emergency operations relating to management of food supplies and their postattack distribution.

Consumer protective, marketing, and regulatory programs.—The committee recommends an appropriation of \$118,989,500 for fiscal year 1969, a decrease of \$856,500 in the 1969 budget estimate. The increase of \$29,679,500 over 1968 includes \$2,799,000 for 1968 pay increases and \$26,880,500 to meet additional meat and poultry inspection responsibilities.

An increase of \$22,825,000 plus 1969 pay increases is provided for the increased meat inspection responsibilities resulting from the Wholesome Meat Act of 1967 adopted last session. A large portion of this additional money is for grants to States to improve their meat inspection programs. The balance is requested to provide technical assistance to the States and to expand Federal inspection to new and existing interstate plants.

The increase includes \$3,492,000 plus pay costs for poultry inspection for the coming fiscal year. This is related to an expected increase

of around 8 to 10 percent in the volume of poultry and the number of plants to be inspected.

The committee is aware that the work of this agency has grown due to increased inspection workload as well as the additional responsibilities assigned by Congress. It has provided the full budget request for this work in fiscal year 1969. It believes, however, that a large portion of these additional funds could be saved by proper coordination of the inspection activities and by the adoption of the most efficient and economical organizational setup.

To assure that these extra funds are effectively utilized, the appropriation bill for 1969 contains language which places one-half of the additional money in a reserve, to be released by the Bureau of the Budget, if and when needed, at such time as a complete and effective reorganization of the Consumer and Marketing Service, including meat and poultry inspection activities, has been made.

Based on recent evidence of overlapping and duplication of inspectors at slaughtering plants, the committee requested the General Accounting Office to make a special study of the organization and operations of the Consumer and Marketing Service, with specific reference to the meat and poultry inspection activities. The report received from the General Accounting Office noted a number of instances of duplication of inspection work, lack of uniform practices and procedures, failure to effectively utilize field inspectors, scattering of supervision, and an inefficient and wasteful organizational setup, especially in the field.

The report pointed out that there may be as many as three types of C. & M.S. employees in one slaughtering plant at the same time: (1) meat inspectors of the Meat Inspection Service; (2) meat graders of the Livestock Division; and (3) poultry inspectors of the Poultry Division. The report pointed out that these inspectors normally operate independently and are part of separate field organizations which are responsible to separate organizational units in Washington, D.C. In addition, the report indicated that both poultry inspectors and poultry graders may also be present in a poultry slaughtering plant, and these poultry inspectors and graders are part of separate C. & M.S. field organizations and normally operate independently.

The GAO report pointed out the need for more effective cross-utilization of meat and poultry inspectors. It indicated that C. & M.S. has not taken any significant action to more fully implement cross-utilization of meat and poultry inspectors, although the need for such action was disclosed in a report issued by the Office of the Inspector General in February 1965. It pointed out that more fully implementing cross-utilization of inspection personnel could make existing inspectors available to undertake additional Federal inspection work arising as a result of the Wholesome Meat Act of 1967.

The GAO study also noted that, in addition to the four separate nationwide field organizations for meat inspection, meat grading, poultry inspection, and poultry grading, there are 12 other major nationwide C. & M.S. field organizations. It indicated, as an example, that there are 20 separate C. & M.S. field offices in San Francisco alone. The discussion of these matters will be found in part 3 of the 1969 hearings, pages 501 through 562.

In view of these findings, the committee directs the Department after consultation with interested groups to reorganize its organizational

arrangement and its inspection activities on the most efficient and economical basis possible. None of the funds placed in reserve should be released until steps are taken to (1) eliminate the existing duplication in the meat and poultry inspection and grading services, (2) establish a system of cross-utilization of inspection personnel, and (3) correct the present organizational deficiencies noted in the GAO study.

Payments to States and possessions.—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture and State departments of agriculture, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of \$1,750,000 is recommended for fiscal year 1969. This is the 1967 and 1968 appropriation levels. Although some of the States may have additional matching funds available, the need for economy in the Federal budget makes it necessary to hold these funds at present levels.

Special milk program.—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Non-profit schools of high school grade and under, all nonprofit summer camps, and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

The full budget estimate of \$104 million is recommended for the coming fiscal year. This will permit the program to continue at the level authorized for fiscal years 1967 and 1968. These funds are to be transferred from section 32 funds as was done in 1968.

Official estimates indicate that the total amount expected to be available for section 32 purposes next year will be more than adequate to meet its regular surplus removal and export activities, plus proposed transfers to finance this and other programs in the coming year. An analysis of the estimated section 32 income and outgo figures for next year indicates that the balance as of June 30, 1969, will be sufficient to assure a normal carryover of \$300 million, with a remaining unused balance of \$226 million to be returned to the Treasury.

School lunch program.—The 1968 appropriation of \$182,825,000 is proposed again for fiscal year 1969, a decrease of \$1,618,000 in the 1969 budget request. In addition, a transfer of \$64,325,000 from section 32 is approved to provide total funds of \$247,150,000 for the next fiscal year. The increased transfer provides an additional \$19,325,000 for commodity purchases under section 6 to provide well-balanced and nutritional needs.

The funds provided for the various purposes under this heading are as follows:

Cash payments to States-----	\$171,448,000
Special cash assistance-----	5,000,000
Commodity procurement-----	64,325,000
Pilot school breakfast-----	3,500,000
Nonfood assistance-----	750,000
Operating expenses-----	2,127,000
Total obligations-----	247,150,000
By appropriation-----	182,825,000
By transfer from section 32-----	64,325,000

Participation in this program continues to increase each year. The following figures show the growth of the program during the past 20 years:

	1947	1965	1966	1967	1968 estimate
Number of schools.....	44,537	70,132	70,597	72,944	73,500
Number of children (peak, thousands).....	6,016	17,025	18,040	18,457	19,600
Number of meals served (millions).....	910.9	2,892.3	3,093.1	3,147.0	3,336.0
With milk, number (millions).....	527.4	2,876.0	3,076.0	3,127.1	3,316.0
Percent of total.....	57.9	99.4	99.4	99.4	99.4
Without milk, number (millions).....	129.6	16.3	17.1	19.9	20.2
Percent of total.....	14.2	.6	.6	.6	.6
Number of free or reduced-price lunches served (millions).....	109.4	285.8	336.0	384.8	405.1
Free or reduced prices as percent of total lunches served.....	12.0	9.9	10.9	12.2	13.0

Food stamp program.—The food stamp program is designed to benefit those families who are receiving some type of welfare assistance—primarily the unemployables, the aged, the blind, the disabled, and mothers with dependent children. It is also authorized to help other families with incomes as low or lower than that of families receiving welfare assistance but who, for a variety of reasons, are not eligible for welfare assistance. This may include those living on small pensions, the unemployed, the underemployed, and those whose training limits them to unskilled, low-paying employment.

Under the program, families must invest the money they would normally spend for food in the purchase of food stamps. In return, they receive additional stamps without charge. Thus the normal food budget continues to be spent for food and the Federal assistance results in the purchase of more food. The increase in retail food stores sales (averaging about 8 percent) in areas in which the program is operating, results in a further expansion in farm markets and acts as a stimulant to the overall economy of those areas.

The valuable contribution of the food stamp program to the health and diets of an increasing number of consumers in all parts of the Nation warrants special consideration of the funds provided for this purpose. Public demand for this program is indicated by the growth in participation from 140,736 in 1962, to 1.8 million on June 30, 1967. Participation is expected to grow to 2.7 million in 1968 and 3 million in 1969.

The full budget request of \$225 million is recommended for the next fiscal year. This is an increase of \$40 million over funds available for 1968. Of this amount, \$25 million has been placed in reserve to be released by the Bureau of the Budget when need develops and when various corrections in the handling of the program have been made.

A special study made by the Committee's Surveys and Investigations Staff, pursuant to a directive dated March 6, 1967, disclosed a number of instances of laxity in the administration of this program. These include:

(1) Inadequate interviews by caseworkers, submission of incomplete applications, and failure to include income for all members of households.

(2) Inadequate identification of participants. In one instance, the same person acted as a proxy for 969 recipients and purchased food stamp coupons having a value of \$53,128 for which he paid

\$36,892 and received bonus coupons valued at \$16,237. The coupons were never in possession of any of the recipients.

(3) Despite the disqualification of 15 retailers in 1967, there have been only 29 criminal prosecutions in the past 3 years.

These conditions need to be corrected to preserve the integrity of this program and to assure maximum operating economy. The funds placed in reserve should not be used until such corrections have been made.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690 approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program, general sales management for Government-owned surplus commodities, ocean transportation functions related to the export of commodities under U.S. programs, and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to Public Law 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products. It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

The committee recommends an appropriation of \$21,153,800 for fiscal year 1969, a decrease of \$987,700 from the 1968 appropriation level and a reduction of \$1,260,700 in the budget estimate. The amount provided will permit continued operations at the 1968 actual level. In addition, \$3,117,000 is available by transfer from section 32 and \$2,012,175 is available by transfer from CCC. This makes total funds available for 1969 operations of \$26,282,975.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; curb unwarranted changes in price resulting from excessive speculation by large traders; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill includes \$1,530,000 for fiscal year 1969, the actual operating level for fiscal year 1968. This is a decrease of \$54,000 in the budget request. The increase of \$39,000 covers salary increases incurred in fiscal year 1968.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 901-913). The Service carries on the following principal programs from appropriated funds:

Production adjustment programs: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Sugar Act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers comply with certain labor, wage, price, and marketing requirements prescribed by law.

Agricultural conservation program: This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and (3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practices. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practices.

Cropland conversion program: Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

Cropland adjustment program: This program was authorized in the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the de-

velopment and conservation of our soil, water, forest, wildlife, and recreational resources. The program will also establish, protect and conserve open spaces and natural beauty and prevent air and water pollution.

Emergency conservation measures: The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

Conservation reserve program: The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage.

Commodity Credit Corporation program activities: Various price-support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; bartered materials for supplemental stockpile; and National Wool Act.

Expenses, Agricultural Stabilization and Conservative Service.—The bill includes a total of \$203,795,500 for the operating and administrative expenses of the various programs of this agency. Of this amount, \$141,031,400 is provided by direct appropriation and \$62,764,100 is provided by transfer from CCC to cover costs of operating the Commodity Credit Corporation. The appropriation amount is a reduction of \$2,902,300 in the 1969 budget estimate. The increases of \$3,096,000 by direct appropriation and \$4,155,500 by transfer from CCC are provided to meet pay increases in fiscal years 1968 and 1969.

Sugar Act program.—Payments are made to domestic producers of sugarbeets and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption.

An appropriation of \$80 million is provided for fiscal year 1969 to make payments under this program. In view of the uncertainty of

sugar production in the 1968 crop year, and in view of the tight fiscal situation, the amount has been retained at the 1967 and 1968 level.

During the period 1938-67, collections of \$2.5 billion from excise and import taxes have exceeded payments by approximately \$574 million. Estimated collections through fiscal year 1969 of \$2.7 billion will exceed estimated payments through fiscal year 1969 by \$621 million.

Agricultural conservation program.—Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

This program reaches in excess of 1 million farms each year and results in the application of the greatest amount of conservation measures to the land at the lowest cost per acre of any other similar program. The following USDA figures indicate participation and costs since 1954:

AGRICULTURAL CONSERVATION PROGRAM, 1954-67

Program year	Number of farms participating (thousands)	Average ACP assistance per farm	Average ACP assistance per acre of farmland on participating farms
1954	1,069	\$130	\$0.36
1955	1,119	167	.46
1956	1,185	180	.50
1957	1,160	185	.51
1958	1,079	199	.54
1959	1,004	208	.54
1960	1,029	207	.54
1961	1,205	190	.54
1962	1,187	184	.53
1963	1,128	189	.53
1964	1,080	199	.55
1965	1,116	200	.55
1966	1,026	207	.58
1967	993	225	.62

An appropriation of \$190 million is recommended to make payments earned under the 1968 program. Amounts due are legal commitments and funds must be provided to meet all obligations incurred.

The committee has retained the 1969 program authorization at \$220 million, the level carried for this purpose for many years. To offset this action the committee has cut much more than the \$120 million restored here from the appropriations for Public Law 480. As noted earlier in this report, much of the foreign currencies earned under this program are used for conservation programs in foreign countries through AID.

Further, this restoration is essential to the continued operation of the conservation programs of the Soil Conservation Service. This restoration will prevent the elimination of 398 soil conservation technicians who are now an essential part of the work unit offices of SCS in all of the 50 States.

The executive branch has justified its reductions in this program through the years on the basis that the smaller amount of funds would be used for so-called permanent practices. The Department's justifications for 1969 state:

The proposed 1969 authorization is a reduction in the program level of \$120 million from the 1968 authorization. This amount will permit the Government to continue to share with farmers the costs of conservation practices with long-term benefits.

On this point, the Administrator, Agricultural Stabilization and Conservation Service, testified to the committee this year (p. 205, pt. 3, 1969 hearings) that 87 percent of the 1967 program practices were for enduring or permanent practices. This would indicate that \$191,400,000 of the 1968 program of \$220 million was spent on permanent practices.

A summary of the conservation accomplishments of this program during the 30 years from 1936 through 1966 follows:

Practice	Unit	Extent 1966	Total accomplishments 1936-66
Water storage reservoirs constructed to distribute grazing, control erosion, and conserve irrigation water and wildlife.	1,000 structures.....	54	1,980
Terraces constructed to control erosion or conserve water.....	1,000 acres.....	708	29,516
Stripcropping systems established to control wind or water erosion and conserve water.	do.....	291	112,836
Permanent sod waterways established to control erosion and safely dispose of excess runoff.	do.....	62	954
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control.	do.....	1,879	53,687
Trees and shrubs planted for forestry purposes, erosion control, or land-use adjustment.	do.....	200	4,440
Forest tree stands improved for forestry purposes and erosion control.	do.....	174	3,542
Enduring vegetative cover.....	do.....	12,211	(1)

¹ Not available.

In the opinion of a majority of the members of the committee, these conservation practices represent the best possible use of Federal funds in the preservation of our soil and water resources for future generations. In addition, they provide the best possible protection for the land upon which we must depend for our present and future food production. The many problems facing agriculture, such as increasing costs, decreasing farm labor, and increasing financial risks, make it apparent that this Nation cannot afford to reduce its conservation efforts.

A full discussion of other reasons for the committee's action on this essential conservation program will be found earlier in this report on pages 22-29.

Cropland adjustment program.—This program is authorized by title VI of the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the develop-

ment and conservation of soil, water, forest, wildlife, and recreational resources.

In return for diverting the cropland to approved uses, producers receive adjustment payments. They also are eligible to receive cost-sharing assistance for establishing approved conservation uses. The period of a contract cannot be less than 5 years and not more than 10 years.

The 1968 appropriation level of \$84,500,000 is recommended again for fiscal year 1969, a reduction of \$1,200,000 in the budget estimate. The amount provided is adequate to meet payments due in fiscal year 1969 on all contracts presently in existence.

The committee has not approved the proposed advance authorization of \$55,500,000 to enter into additional contracts under this program in the next fiscal year. The \$1,200,000 reduction in the 1969 appropriation represents funds requested to make payments in 1969 to producers who would have been added to the program had the advance authorization been approved.

The majority of this committee believes that, with our large surpluses virtually gone, and with our commitments in Vietnam and elsewhere, this country cannot afford to follow a policy of taking land out of production. The economic loss to the Nation, plus the dangers inherent in a policy of scarcity, clearly supports the committee's position in this matter.

Conservation reserve program.—An appropriation of \$109 million is included for the next fiscal year, a reduction of \$14 million in the 1968 appropriation and \$500,000 in the 1969 budget estimate. The decrease below last year is due to the expiration of a portion of the long-term contracts entered into under the old soil bank program back in the middle 1950's. Payments will continue through 1973 on a diminishing basis as follows:

Fiscal year	Annual rental payments for current contracts (in thousands)	Estimated acres in reserve
1968.....	\$123,419	10,980,212
1969.....	109,500	9,230,850
1970.....	41,057	3,455,980
1971.....	823	75,675
1972.....	87	8,218
1973.....	8	704
Total.....	274,894	

Emergency conservation measures.—This appropriation provides special funds for sharing the cost of emergency conservation measures to deal with cases of severe damage to farms and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act.

Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties. Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate

that Federal assistance is or will be required to return the land to productive agricultural use.

The budget estimate of \$5 million is proposed for the next fiscal year. This is the same as provided for the current year. There is no way to forecast disasters in advance of their occurrence or the extent of damage which might result. With an appropriation of \$5 million, estimated recoveries of about \$2,782,000 from prior obligations, and an expected carryover of uncommitted funds of \$12,534,000, funds totaling \$20,316,000 will be available for the fiscal year 1969 to restore damages to farms and rangelands resulting from natural disasters.

In view of the emergency nature of this program, the committee is of the opinion that transfers to cover the technical assistance of Soil Conservation Service personnel on emergency projects should be based on minimum actual costs rather than the 5-percent limitation established for the regular ACP program.

RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service was established by the Secretary of Agriculture's Memorandum No. 1570 dated February 24, 1965. It cooperates with other agencies in all phases of rural development, and serves the Secretary of Agriculture and other departments of government at the Washington level in the implementation of rural development programs. It also identifies Federal programs outside the Department of Agriculture that are still not effectively reaching rural areas because of difficulties of communicating with a dispersed rural population. It works with Federal departments and agencies having such programs to develop effective means for overcoming these difficulties by appropriate adjustments in the programs and by setting up appropriate methods of utilizing the services of the Farmers Home Administration and other Department of Agriculture agencies to facilitate rural development programs which supplement the regular programs of these agencies in rural areas.

The 1968 actual funding level of \$463,000 is recommended for the coming fiscal year. This is a reduction of \$6,000 in the budget request. The increase of \$13,000 over the 1968 appropriation is provided for pay act increases made in fiscal year 1968.

OFFICE OF THE INSPECTOR GENERAL

Internal audit and investigation activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The bill includes an appropriation of \$12,276,000 for the next fiscal

year, a reduction of \$591,000 in the 1969 budget request. The increase of \$283,000 over the 1968 appropriation is provided to meet the additional pay act costs incurred in fiscal year 1968. The amount recommended for fiscal year 1969 will permit this activity to continue at the current operating level during the next year.

PACKERS AND STOCKYARDS ADMINISTRATION

The Packers and Stockyards Act of 1921, as amended, (7 USC 181-229) is designed to assure free, open, and fair competition and fair practices in the marketing of livestock, live poultry, meat and dressed poultry. It protects consumers against unfair business practices in the marketing of meat and poultry. It protects members of the livestock marketing and meat industries from unfair, deceptive, discriminatory and monopolistic practices of competitors.

Investigations are conducted to determine that the operations of packers and retail organizations do not involve the proscribed malpractices. Through the use of required annual and special reports, as well as audits, the financial stability of these organizations is determined in order to guard against loss to persons and firms dealing with them. When violations or insolvencies are established, procedures to obtain cease and desist orders are initiated in order to prevent future violations.

Operations of stockyards, market agencies, and dealers are investigated and audited to assure that their business practices are fair and in free open competition; that they are financially sound; and that adequate services and facilities are furnished by stockyards and market agencies at reasonable and nondiscriminatory rates and charges.

The bill includes an appropriation of \$2,565,300, which is the 1968 actual operating level. The amount recommended is a reduction of \$4,000 below the 1968 appropriation level and a reduction of \$600,700 in the budget request. The reduction below the 1968 level results from the transfer of \$75,000 to "Salaries and expenses, Office of Management Services" for administrative expenses, partially offset by an increase of \$71,000 needed to meet Pay Act costs in fiscal year 1968.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasijudicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

For the coming fiscal year an appropriation of \$4,461,000 is provided for this Office. This is a decrease of \$572,000 in the 1969 budget

request. The increase of \$136,000 above the 1968 appropriation is provided to cover 1968 Pay Act increases. The amount provided will permit this office to continue in the coming year at the current operating level.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department, including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs and color slides; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual information materials, such as motion pictures, exhibits, art and graphics materials, and still photographic work for the Department and other Government agencies.

The committee recommends \$1,965,000 for fiscal year 1969, a decrease of \$32,000 in the 1969 budget request. The increase of \$37,000 above the 1968 appropriation is required to meet the 1968 Pay Act increases. The amount provided will permit this office to continue in the coming year at the current operating level.

NATIONAL AGRICULTURAL LIBRARY

The library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books * * *." Under the act establishing the Department, the library also serves as the National Agricultural Library.

The library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The library collects current and historical published material and organizes it for maximum service to the Department, and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection exceeds 1.3 million volumes.

The committee recommends an appropriation of \$3,166,500 for the coming fiscal year, a reduction of \$252,500 in the 1969 budget estimate. The amount recommended provides an increase of \$558,000 over the 1968 appropriation. Of this amount, \$58,000 is provided to cover 1968

Pay Act costs, and \$500,000 is provided to enable the library to move to its new facilities at Beltsville. The new quarters, which have been under construction since 1966, will be ready for occupancy in October 1968, based on present estimates. The additional funds provided will cover the move of the library collections to the new location, plus the purchase of furniture and equipment needed at the new location. A portion of the increase will be required to cover maintenance, health services, and increased telephone costs at the new library building.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services provides consolidated management support services to certain agencies and offices of the Department. It was established by Secretary's Memorandum No. 1529, dated January 29, 1963, to provide greater economy and effectiveness in the rendering of management service through: improved utilization of manpower and management techniques; increased specialization of professional skills; and more extensive use of time-saving equipment.

The consolidated management support functions include budget and finance, personnel and related programs, administrative services, and public information work. The organization structure of OMS is based upon these functions with operating divisions providing the services for the following agencies and offices: Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners and the Judicial Officer, Office of Management Improvement, Office of Personnel, Office of Plant and Operations, Rural Community Development Service, Office of Information, National Agricultural Library, Office of the General Counsel, Office of the Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, Statistical Reporting Service, and Packers and Stockyards Administration.

The bill includes an appropriation of \$2,821,000 for fiscal year 1969, a continuation of the 1968 actual operating level. The amount provided is a reduction of \$89,000 in the 1969 budget request. The increase of \$154,000 includes \$75,000 which was transferred in 1968 from "Salaries and expenses, Packers and Stockyards Administration" to cover the administrative duties taken over from that organization, plus \$79,000 required to cover the 1968 Pay Act increases.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with

responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Improvement which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems designs, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The hearing examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 United States Code 556). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The committee recommends an appropriation of \$4,614,000 for the coming fiscal year, a decrease of \$50,000 in the 1969 budget estimate. The increase of \$127,000 over the 1968 appropriation is provided to cover the additional Pay Act costs incurred in 1968. This will enable the activities under this head to continue to function at the 1968 actual operating level.

Of the amount provided, \$25,000 is earmarked for use by the Secretary's staff to keep current on proposed and pending legislation before the Congress. In several cases recently, such as legislation on pollution programs, the Department has not been aware of action taken on legislation. It has not been in a position, therefore, to represent the interests of Agriculture before the various committees of Congress considering such legislation.

The Committee takes note of the efforts of the Department to work out cooperative arrangements with the European Common Market relative to pesticide tolerances on food imports into that area. From funds available to the Department, the Secretary should assign a well-qualified and internationally recognized expert from his staff to work with those in Western Europe who are dealing with the technical aspects of this matter.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

Loan authorizations.—The budget estimate of \$304 million is included in the bill for rural electrification loans. This is a decrease of \$10 million below the 1968 authorization. With an estimated carryover of approximately \$41 million of unused prior year funds, a total of \$345 million will be available for the coming fiscal year compared to a lending level of \$350 million in fiscal year 1968. Based on previous experience, all of these loans will be repaid to the Treasury. They do not represent an unrecovered expenditure as do the regular operating programs of the Government.

Testimony from the REA Administrator and representatives of the electric cooperatives indicates that the demand for electrification loans in the next fiscal year will be in excess of \$700 million—double the amount available. One of the principal reasons for this large demand is that electricity now substitutes on the farm for labor which is no longer available. The modern farm is a highly automated and electrified operation.

Because of the general fiscal situation, however, the committee is unable to recommend electrification loan funds in excess of the budget request. In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

In this connection, it should be noted that REA-financed generating plants represent only 1.4 percent of the Nation's total electric generating capacity. It is also significant to note that in fiscal year 1966 REA systems purchased 34.2 percent of their power requirements from investor-owned companies, 39.7 percent from Federal agencies such as TVA and Interior Department powermarketing agencies, and 6.5 percent from non-Federal public suppliers. Only 19.6 percent (one-fifth) of REA power was supplied by REA-financed generating plants.

An appropriation of \$120 million, the full budget estimate, is included for rural telephone loans. This is a reduction of \$600,000 in the 1968 authorization. With an estimated carryover of \$5.8 million from prior year balances, a total of nearly \$126 million will be available for telephone loans in the next fiscal year.

Economy pressures make it impossible to increase the authorization for telephone loans, despite the fact that applications are expected to total around \$460 million in the coming year—nearly four times the amount provided.

Salaries and expenses.—The 1968 operating level of \$12,805,000 is recommended for the coming fiscal year, a reduction of \$132,000 in the 1969 budget. The increase of \$348,000 over the 1968 appropriation is provided to cover 1968 Pay Act increases.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farm ownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, includ-

ing farm buildings, land and water development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and waste disposal systems and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made on the same basis as farm ownership insured loans.

Makes direct operating loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes direct rural housing loans for building purposes and insured rural housing loans pursuant to title V of the Housing Act of 1949, as amended, to farm owners, to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair or replace dwellings and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farmowners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Loans are repayable in not more than 33 years and bear interest at 5 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes grants for the preparation of comprehensive plans for the development of water or sewer systems in rural areas pursuant to subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended. Grants for the preparation of comprehensive water and sewer plans may be made to public bodies such as counties, townships, planning commissions, and similar

units of government, and such other agencies as may have authorization to prepare such official comprehensive plans. The amount of each such grant will be limited to the actual expenses for the preparation of the plans which are outside the normal budget of the recipient organization.

Makes grants for water and sewer development costs pursuant to subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended. Development grants are made to associations, including corporations operating on a nonprofit basis, municipalities, and similar organizations, generally designated as public or quasi-public agencies, that propose projects for development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 50 percent of the development cost of the projects, and supplement other funds borrowed or furnished by applicants to pay development costs. No loan or grants may be made which would cause the unpaid principal indebtedness of any association owed to the Farmers Home Administration, together with the amount of any assistance in the form of a grant, to exceed \$4 million at any one time.

Makes insured loans for rural rental housing pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5¾ percent.

Makes direct loans for rural rental housing pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the rural housing direct loan account, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3 percent.

Provides technical assistance and makes direct loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization. Each project financed with loan funds will be an important component of an overall rural renewal plan developed to rebuild the economy of the designated area. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities. The area must also be one in which agriculture or forestry contribute substantially to the economy. Rural renewal loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at the average rate paid by the U.S. Treasury on obligations of similar maturity. The present rate is 3.225 percent. Loans will not be made in excess of \$250,000.

Makes insured farm labor housing loans pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made either to a farmowner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. These loans, which are made with funds advanced by private lenders, are repayable in not more than 33 years at not in excess of 5 percent. Otherwise, insured farm labor housing loans are subject to the same terms and limitations applicable to other types of insured loans, except that these loans are not limited to family farms or to any specific amount.

In fiscal year 1965, the Farmers Home Administration began to make direct resource conservation and development loans from funds appropriated to the Soil Conservation Service under "Resource conservation and development." Loans are made to local organizations and individuals for planned conservation measures and works of improvement as specified in approved work plans.

Direct loan account.—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farm ownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1968, it is expected that this account will have a balance of \$803,402,708. This amount, together with expected collections of \$357,639,000, will provide total loan funds of in excess of \$1,161 million to meet the credit needs of this account in the coming fiscal year. As will be noted later in this report, no income will be available from the sale of participation authorizations in the next fiscal year, since authority for such sales has not been approved.

From this amount, the bill provides loan authorizations of \$337,900,000, including \$83 million for real estate loans, \$250 million for operating loans, and \$4,900,000 for soil conservation loans. These are the amounts proposed in the 1969 budget. They are \$79,600,000 below the amounts authorized in the 1968 appropriation bill.

The committee has gone along with the reduced budget levels for these loan programs very reluctantly. The shortage of operating loan funds is a matter of great concern to farmers and their agri-business associates throughout the Nation. With a loan level of \$275 million in fiscal year 1968, after the freeze of \$25 million by the executive branch, operating loan funds were exhausted in many States before the spring planting season began. As of the end of February 1968, eight States were completely out of operating loan funds and 13 others had virtually exhausted their funds. This situation has become even more critical since that time. With mandatory budget cuts and expenditure ceilings, however, this situation cannot be corrected in this bill.

Rural housing direct loan account.—Title X of Public Law 89-117 (Housing and Urban Development Act of 1965), approved August 10, 1965, amends title V of the Housing Act of 1949 to provide for the establishment of a rural housing direct loan account. This amendment also authorizes the transfer to the rural housing direct loan account of

(1) all funds, claims, notes, mortgages, contracts, and property, and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the act, and (2) all unexpended balances of appropriations for direct loans under title V, including funds authorized for direct elderly rental housing loans by section 515(a) of the act.

It is estimated that, as of June 30, 1968, this direct loan account will have an unused balance of \$427,162,934. Estimated collections of \$65 million will provide a total of over \$492 million for the coming fiscal year. This is more than adequate to finance the \$15 million of loan authority approved in this bill. Accordingly, the authority for additional participation sales in fiscal year 1969 has not been included in the bill.

The Committee is concerned about the Administration's policy which requires farmers to put up far greater security for housing or other loans than other rural borrowers. In one such instance which came to the Committee's attention recently, it was demanded that the borrower mortgage his entire 250 acres of land to obtain a \$4,000 loan, even though other rural borrowers were required to mortgage only several acres of their land as security.

This policy was established in earlier years when FHA was limited to loans for farmhouses on farm properties. Now that FHA is also authorized to make loans on rural properties, not merely farm properties, this policy should be changed. Farmers Home Administration should require adequate and proper security for its loans. Such security should be reasonable, however, and should be consistent with collateral required on other types of loans. Great inequities can result from the present unrealistic policy in this regard.

Participation sales authorization.—Authority for the proposed sale of \$425 million of participation certificates is not recommended for the coming fiscal year. As noted in the preceding paragraphs for the direct loan programs, large unused carryover balances are expected as of June 30, 1968, and again as of June 30, 1969. The estimated June 30, 1969, balances for these accounts are as follows:

Direct loan account:

Total, budget estimate-----	\$832, 275, 708
Less income from participation sales not approved in bill--	¹ —250, 000, 000
Balance -----	582, 275, 708
Loan authorization approved for 1969-----	337, 900, 000

Rural housing direct loan account:

Total, budget estimate-----	688, 887, 934
Less income from participation sales not approved in bill---	—250, 000, 000
Balance -----	438, 887, 934
Loan authorization approved for 1969-----	15, 000, 000

¹ Includes carryover of \$75,000,000 of unused authorization from 1968.

Rural water and waste disposal grants.—This new program was established by subtitle A of the legislation adopted last session (Public Law 89-240) to provide grants for the development of water or sewer systems in rural areas. The amount of the grant may not exceed 50 percent of the total cost of the project.

An appropriation of \$28 million is proposed for the coming year, the

actual funding level for fiscal year 1968. This is an increase of \$750,000 in the 1969 budget request and a decrease of \$2 million in the 1968 appropriation level.

This reduction below 1968 funds has been approved by the committee to conform to the general pattern of holding to the 1968 actual operating level, despite the large unmet demand throughout the Nation for water and waste disposal loans and grants. It seems unwise to the committee to spend increasing millions of dollars on pollution control through other Federal programs, while reducing funds under this heading which will cut down on the actual pollution of water supplies, village by village.

Rural renewal.—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The bill includes \$1,600,000 for the coming year, which will permit this program to continue at the 1967 and 1968 operating level.

Rural housing for domestic farm labor.—This program is carried out under section 516 of the Housing Act of 1949, as amended (Public Law 88-560). The program provides for sharing up to two-thirds of the total development cost of farm labor housing projects.

The 1968 level of \$3,500,000 is proposed for this program in the next fiscal year. This is a reduction of \$1,500,000, made necessary by the stringent fiscal yardstick adopted by the committee in approving funds for future operations of USDA programs.

Salaries and expenses.—An appropriation of \$57,641,000 is proposed in the bill for the coming fiscal year, a decrease of \$1,491,000 in the 1969 budget estimate. The increase of \$1,653,000 over the 1968 appropriation is provided to meet salary increases which accrued in fiscal year 1968. In addition to the sum proposed, transfers from other accounts have been approved in the amounts recommended in the 1969 budget, which provides a total of \$60,391,000 available for this purpose in fiscal year 1969.

The size and scope of the various programs of the Farmers Home Administration have been increased tremendously in recent years. The number and size of loans and collections, both direct and insured, continue to increase. The need for increased supervision of these loans increases as credit becomes tighter, as costs of production increase, and as the net return from farming goes down. Also, the major responsibility for the rural community development function of the Department of Agriculture was assigned to this agency several years ago. New programs, such as water facilities loans and grants, and rural renewal activities have been added to the long list of programs administered by this organization. There is every reason to accept the FHA Administrator's statement that the personnel of this agency are required to put in many hours of overtime each year. He described the situation in these words:

There is no doubt in my mind that our people are over-worked.

The statistics on the increase in volume of our activities in recent years compared to the increase in the size of our staff make this apparent.

Comparing the figures for 1961 with the estimates for 1969:

The amount of funds advanced will increase 248 per-cent.

The amount of loans outstanding will increase 304 per-cent.

The number of people benefited will increase 338 per-cent.

But the number of man-years of people employed will increase only 41 percent.

While additional funds are needed to fully meet the responsibilities of this agency in the coming year, the committee is unable to include them in this bill under its very restricted approach to the 1969 budget.

TITLE III—CORPORATIONS (INCLUDES PUBLIC LAW 480 AND OTHER FOREIGN ASSISTANCE PROGRAMS)

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938, to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

An appropriation of \$10,487,000, plus authority to use \$2,850,000 premium income, is recommended for the next fiscal year. This provides a total of \$13,337,000 which is the 1968 actual operating level. The increase of \$279,000 over the 1968 appropriation level is needed to cover 1968 Pay Act increases.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public

Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a Board of Directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a Director and Chairman of the Board. In addition, it has a bipartisan Advisory Board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

Reimbursement for net realized losses.—A total appropriation of \$3,188,112,500 is included in the bill to restore capital impairment incurred during fiscal years 1966 and 1967. Of this amount, \$350,467,000 is provided to liquidate contract authorization established in fiscal year 1968 to meet the total needs of the program.

The new obligational authority recommended is \$460,393,500 less than proposed in the 1969 budget. In view of testimony from the Administrator, Agricultural Stabilization and Conservation Service, which indicates that an unused balance of around \$2 billion will be on hand at the end of the 1969 fiscal year, this reduction seems entirely reasonable and appropriate.

Limitation on administrative expenses.—The 1968 authorization and 1969 budget estimate of \$31,500,000 is approved again for fiscal year 1969. This agency is to be commended for gradually reducing its administrative costs through the years from \$47,916,000 in fiscal year 1962 to \$31,500,000 proposed for fiscal year 1969.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the ex-

portation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same advance funding basis as for other programs of the Department.

The following activities are currently being carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended by the Food for Peace Act of 1966:

Sale of agricultural commodities for foreign currencies (title I) (7 U.S.C. 1701-1709).—Under this title, the United States accepts foreign currency in payment for sales of available U.S. farm products. These currencies may then be used for such purposes as agricultural market development, military equipment, facilities and services for the common defense, payment of U.S. obligations abroad, and military housing, among other specified purposes. If regular appropriations of any Federal agency are available for any purpose for which foreign currencies are used, the agency must buy the currency for dollars. These dollars are credited to the Commodity Credit Corporation and reduce Public Law 480 appropriations.

Sale of agricultural commodities for dollars on credit terms (title I) (7 U.S.C. 1701-1709).—This title provides for sales of U.S. farm products under long-term credit arrangements. The major objective is to stimulate and increase sales for dollars through credit. The purpose is to expand international trade; to develop and expand export markets; and to encourage economic development in the developing countries. Agreements may be entered into for the delivery of available U.S. farm products for periods of up to 10 years. Agreements are with the governments of friendly nations, including financial institutions acting on behalf of such nations. Agreements may also be made with U.S. and foreign private traders. Repayments are made in U.S. dollars, with interest. Repayments may be for periods of up to 20 years. Interest is charged from the date of last delivery in each calendar year. Minimum rates of interest are set by law.

Commodities disposed of and other costs incurred in connection with donations abroad (title II) (7 U.S.C. 1721-1724).—Under this title, donations of available agricultural commodities (not limited to stocks held by Commodity Credit Corporation) are made to assist friendly nations and friendly peoples, and to promote economic and community development in underdeveloped countries. Up to \$7.5 million each year may be spent to buy foreign currencies accruing under title I. These funds are to meet special costs (other than personnel and administrative) of cooperating groups. The Corporation pays ocean freight on shipments under this title.

The Commodity Credit Corporation also conducts special export programs, including *Bartered materials for supplemental stockpile* and the *International Wheat Agreement*. The International Wheat

Agreement Act of 1949, as amended, expired July 31, 1965. The Commodity Credit Corporation is carrying out the protocol agreement under the commodity export program pursuant to its general charter authority.

Public Law 480.—The bill for next year includes a total of \$300 million for this program, including \$100 million for long-term credit sales for dollars under title I and \$200 million for donations under title II. While this is a reduction of \$618,143,000 in the 1969 budget request, it should be noted that a total of \$1,172,857,000 will be available for these programs in fiscal year 1969, including \$342,600,000 due to expected receipts from the sale of foreign currencies and loan repayments, \$530,257,000 of prior year unused balances which will be available in 1969, and \$300 million new moneys carried in this bill.

These programs contribute nothing to our balance-of-payments deficit. In fact, they probably add to such deficits since they have a tendency to substitute donations and sales for foreign currencies for the regular commercial dollar sales. Under today's conditions, with an urgent need for additional foreign exchange from sales for dollars, and with increasing financial pressures on our Federal budget, the committee feels that large expenditures under Public Law 480 are not justified—particularly when such expenditures are made at the expense of the various soil and water conservation programs needed to preserve the natural resources here in our own country.

A more complete discussion of the committee's position on this matter will be found on pages 17–18 of this report.

Bartered materials for supplemental stockpile.—The committee concurs in the budget proposal that no additional funds be provided for this program in fiscal year 1969. Reimbursable offshore procurement for other Federal agencies through barter of agricultural commodities will be continued through the use of funds available to such agencies.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Limitation on administrative expenses.—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636b). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

The committee recommends the full budget estimate of \$3,436,000 for the next fiscal year. The increase of \$212,000 over 1968 is primarily to cover (1) the unabsorbed cost of pay increases (Public Law 90-206) effective for a full year in 1969 as compared to 9 months in 1968, (2) vacancies filled for a full year in 1969, and (3) two new positions in 1969 in the data processing field.

TITLE V—GENERAL PROVISIONS

Sections 501 through 507 of the general provisions contained in the accompanying bill for fiscal year 1969 are essentially the same as those included in previous appropriation bills.

Section 501 authorizes the purchase of 626 passenger motor vehicles in fiscal year 1969. This will permit the replacement of 457 vehicles which have reached the Federal replacement standard of 6 years or 60,000 miles. It also authorizes the purchase of 169 passenger vehicles to replace an equal number of sedan delivery trucks in the Agricultural Research Service and the Soil Conservation Service. In fiscal year 1967 the average cost of operating sedan delivery trucks, including maintenance and depreciation, was 5.79 cents per mile compared with 4.67 cents for sedans, a saving of 1.12 cents per mile. The total annual saving is estimated at about \$52,000 per annum.

As noted earlier in this report, two new general provisions, sections 508 and 509 have been added to the bill this year. Section 508 limits the use of USDA funds to finance outside boards, commissions, and similar groups. Section 509 limits expenditures in fiscal year 1969 to expenditures authorized for 1968 plus certain necessary 1969 increases. A full discussion of these provisions will be found on pages 5-7 and 30 of this report.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any Appropriation Act are included in the bill:

On page 5, in connection with the Agricultural Research Service:

and in addition, the June 30, 1968, unexpended balance of funds appropriated to the President in the Supplemental Appropriation Act, 1959 (Public Law 85-766, approved August 27, 1958) under the heading "Translation of publications and scientific cooperation" shall be merged with this appropriation:

On page 29, in connection with Rural Housing Direct Loan account:

Provided, That farmer applicants for housing loans shall be required to offer only such collateral security as is required of owners of nonfarm tracts.

On page 33, in connection with Public Law 480:

Provided, That any unexpended balances of appropriations heretofore available under this heading for title I of said Act may be merged with this appropriation;

On page 35, in connection with the General Provisions:

SEC. 508. None of the funds in this Act shall be available to finance interdepartmental boards, commissions, councils, com-

mittees, or similar groups under sec. 214 of the Independent Offices Appropriation Act, 1946 (31 U.S.C. 691) which do not have prior and specific congressional approval of such method of financial support.

SEC. 509. In no event shall the expenditures in fiscal year 1969 for the programs financed by this bill (excluding the Farm Credit Administration and its member institutions) exceed in the aggregate the total actual expenditures authorized for fiscal year 1968, plus (1) expenditures necessary in fiscal year 1969 to cover pay cost increases, retirement and compensation fund costs, penalty mail costs, employee compensation costs and similar mandatory items, and (2) expenditures to meet the increases provided in this bill for meat and poultry inspection and the food stamp program.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND THE BUDGET ESTIMATES FOR 1969

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1968 (2)	Budget estimate of new (obligational) authority, 1969 (3)	Increase (+) or decrease (-) (4)
Permanent appropriations:			
Agricultural Research Service: Animal quarantine station-----	\$200, 000	\$326, 600	+\$126, 600
Consumer and Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	1 578, 911, 603	1 600, 000, 000	+21, 088, 397
Perishable Agricultural Commodities Act fund-----	905, 000	905, 000	-----
Agricultural Stabilization and Conservation Service: National Wool Act.	34, 792, 675	63, 700, 000	+28, 907, 325
Total, permanent appropriations-----	614, 809, 278	664, 931, 600	+50, 122, 322
Permanent lending authorities, Commodity Credit Corporation:			
Export credit sales program-----	-32, 100, 000	23, 500, 000	+55, 600, 000
Other-----	3, 000, 000	-----	-3, 000, 000
Total, permanent lending authority-----	-29, 100, 000	23, 500, 000	+52, 600, 000

1 Includes transfers to other appropriation items as shown in later tables.

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1968 (2)	Budget estimate of new (obligational) authority, 1969 (3)	Increase (+) or decrease (-) (4)
Agricultural Research Service: Miscellaneous trust funds-----	\$1, 017, 000	\$1, 393, 000	+ \$376, 000
Soil Conservation Service: Miscellaneous contributed funds-----	965, 000	1, 033, 000	+ 68, 000
Economic Research Service: Miscellaneous contributed funds-----	31, 000	30, 000	- 1, 000
Consumer and Marketing Service: Fees for inspection and grading-----	31, 778, 000	32, 805, 000	+ 1, 027, 000
Other agencies: Miscellaneous contributed funds-----	17, 000	14, 000	- 3, 000
Total, trust funds-----	33, 808, 000	35, 275, 000	+ 1, 467, 000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1968 (enacted to date) (5)	Budget estimates of new (obligational) authority, fiscal year 1969 (6)
TITLE I—GENERAL ACTIVITIES					
Agricultural Research Service, salaries and expenses:					
Research:					
Direct appropriation-----	\$136, 775, 500	\$136, 273, 100	\$125, 972, 500	—\$10, 803, 000	—\$10, 300, 600
Transfer from sec. 32 ² -----	(15, 000, 000)	(15, 000, 000)	(15, 000, 000)	-----	-----
Total, research-----	(151, 775, 500)	(151, 273, 100)	(140, 972, 500)	(—10, 803, 000)	(—10, 300, 600)
Plant and animal disease and pest control-----	85, 802, 000	88, 647, 500	85, 298, 500	—503, 500	—3, 349, 000
Special fund (reappropriation)---	2, 000, 000	(2, 000, 000)	(2, 000, 000)	—2, 000, 000	-----
Total, salaries and expenses---	224, 577, 500	224, 920, 600	211, 271, 000	—13, 306, 500	—13, 649, 600
Salaries and expenses (special foreign currency program)-----	8, 500, 000	12, 700, 000	4, 500, 000	—4, 000, 000	—8, 200, 000
Total, Agriculture Research Service-----	233, 077, 500	237, 620, 600	215, 771, 000	—17, 306, 500	—21, 849, 600

Cooperative State Research Service: Payments and expenses-----	63, 113, 000	62, 179, 000	58, 958, 000	-4, 155, 000	-3, 221, 000
Extension Service:					
Payments to States and Puerto Rico-	81, 917, 500	81, 917, 500	78, 532, 500	-3, 385, 000	-3, 385, 000
Retirement costs for extension agents-----	8, 818, 500	9, 333, 500	8, 818, 500	-----	-515, 000
Penalty mail-----	3, 113, 000	3, 500, 000	3, 299, 000	+186, 000	-201, 000
Federal Extension Service-----	2, 753, 000	2, 878, 000	2, 838, 000	+85, 000	-40, 000
Total, Extension Service-----	96, 602, 000	97, 629, 000	93, 488, 000	-3, 114, 000	-4, 141, 000
Farmer Cooperative Service-----	1, 304, 000	1, 848, 000	1, 341, 000	+37, 000	-507, 000
Soil Conservation Service:					
Conservation operations-----	113, 500, 000	116, 313, 000	114, 893, 000	+1, 393, 000	-1, 420, 000
Watershed planning-----	6, 000, 000	6, 224, 000	6, 165, 000	+165, 000	-59, 000
Watershed protection-----	70, 403, 000	42, 148, 000	³ 65, 000, 000	-5, 403, 000	+22, 852, 000
Flood prevention-----	25, 753, 000	12, 395, 000	⁴ 20, 000, 000	-5, 753, 000	+7, 605, 000
Great Plains conservation program--	16, 336, 000	13, 414, 000	⁵ 16, 000, 000	-336, 000	+2, 586, 000
Resource conservation and development-----	6, 129, 000	6, 474, 000	6, 256, 000	+127, 000	-218, 000
Total, Soil Conservation Service--	238, 121, 000	196, 968, 000	228, 314, 000	-9, 807, 000	+31, 346, 000
Economic Research Service: Salaries and expenses-----	12, 421, 000	13, 964, 000	12, 789, 000	+368, 000	-1, 175, 000

See footnotes at end of table, p. 80.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET
ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued**

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹	Budget estimates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in the bill	New budget (obligational) authority, fiscal year 1968 (enacted to date)	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1969
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—GENERAL ACTIVITIES— Continued					
Statistical Reporting Service: Salaries and expenses-----	\$13, 830, 500	\$14, 674, 000	\$14, 184, 500	+ \$354, 000	— \$489, 500
Consumer and Marketing Service:					
Consumer protective, marketing, and regulatory programs-----	89, 310, 000	119, 846, 000	6 118, 989, 500	+ 29, 679, 500	— 856, 500
Payments to States and possessions--	1, 750, 000	1, 750, 000	1, 750, 000		
Special milk program: Transfer from sec. 32 ² -----	(104, 000, 000)	(104, 000, 000)	(104, 000, 000)		
Total, special milk program----	(104, 000, 000)	(104, 000, 000)	(104, 000, 000)		
School lunch program:					
Direct appropriation-----	182, 825, 000	184, 443, 000	182, 825, 000		— 1, 618, 000
Transfer from sec. 32 ² -----	(45, 000, 000)	(64, 325, 000)	(64, 325, 000)	(+ 19, 325, 000)	
Total, school lunch program--	(227, 825, 000)	(248, 768, 000)	(247, 150, 000)	+ 19, 325, 000)	(— 1, 618, 000)

Consumer and Marketing Service—
Continued

Food stamp program:

Direct appropriation-----	\$161, 800, 000	\$225, 000, 000	\$225, 000, 000	7+ \$63, 200, 000	-----
Reappropriation-----	23, 200, 000	-----	-----	-23, 200, 000	-----
Total, food stamp program----	185, 000, 000	225, 000, 000	225, 000, 000	+40, 000, 000	-----

Total, Consumer and Marketing Service-----

-2, 474, 500

Foreign Agricultural Service:

Salaries and expenses-----	22, 141, 500	22, 414, 500	21, 153, 800	-987, 700	-1, 260, 700
Transfer from sec. 32 ² -----	(3, 117, 000)	(3, 117, 000)	(3, 117, 000)	-----	-----
Transfer from CCC-----	(2, 012, 175)	(2, 107, 000)	(2, 012, 175)	-----	(-94, 825)

Total, Foreign Agricultural Service

(-1, 355, 525)

Commodity Exchange Authority-----

-54, 000

Agricultural Stabilization and Conservation Service:

Expenses, ASCS:

Direct appropriation-----	137, 935, 400	143, 933, 700	141, 031, 400	+3, 096, 000	-2, 902, 300
Transfer from CCC-----	(58, 608, 600)	(62, 764, 100)	(62, 764, 100)	(+4, 155, 500) --	-----
	(196, 544, 000)	(206, 697, 800)	(203, 795, 500)	(+7, 251, 500)	(-2, 902, 300)

See footnotes at end of table, p. 80.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET
ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued**

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with— New budget (obligational) authority, fiscal year 1968 (enacted to date) (5)	Budget estimates of new (obligational) authority, fiscal year 1969 (6)
TITLE I—GENERAL ACTIVITIES— Continued					
Agricultural Stabilization and Conservation Service—Continued					
Sugar Act program-----	\$80, 000, 000	\$82, 300, 000	\$80, 000, 000	-----	--\$2, 300, 000
Agricultural conservation program:					
Advance authorization for 1969 program (contract authorization)-----	220, 000, 000	100, 000, 000	220, 000, 000	-----	+120, 000, 000
Liquidation of contract authorization-----	(220, 000, 000)	(195, 500, 000)	(190, 000, 000)	(- \$30, 000, 000)	(- 5, 500, 000)
Cropland adjustment program-----	84, 500, 000	85, 700, 000	84, 500, 000	-----	-1, 200, 000
Limitation on authorization for 1969 program-----	-----	(55, 500, 000)	-----	-----	(- 55, 500, 000)
Conservation reserve program-----	123, 000, 000	109, 500, 000	109, 000, 000	-14, 000, 000	-500, 000
Emergency conservation measures---	5, 000, 000	5, 000, 000	5, 000, 000	-----	-----
Total, Agricultural Stabilization and Conservation Service-----	650, 435, 400	526, 433, 700	639, 531, 400	-10, 904, 000	+113, 097, 700

Rural Community Development Service-----	450, 000	469, 000	463, 000	+13, 000	-6, 000
Office of Inspector General-----	11, 993, 000	12, 867, 000	12, 276, 000	+283, 000	-591, 000
Packers and Stockyards Administration-----	2, 569, 300	3, 166, 000	2, 565, 300	-4, 000	-600, 700
Office of General Counsel-----	4, 325, 000	5, 033, 000	4, 461, 000	+136, 000	-572, 000
Office of Information-----	1, 928, 000	1, 997, 000	1, 965, 000	+37, 000	-32, 000
National Agricultural Library-----	2, 608, 500	3, 419, 000	3, 166, 500	+558, 000	-252, 500
Office of Management Services-----	2, 667 000	2, 910, 000	2, 821, 000	+154, 000	-89, 000
General administration-----	4, 487, 000	4, 664, 000	4, 614, 000	+127, 000	-50, 000
Total new budget (obligational) authority, title I, general activi- ties-----	1, 822, 449, 700	1, 740, 878, 800	1, 847, 957, 000	+25, 507, 300	+107, 078, 200
TITLE II—CREDIT AGENCIES					
Rural Electrification Administration:					
Loan authorizations:					
Electrification-----	314, 000, 000	304, 000, 000	304, 000, 000	-10, 000, 000	-----
Telephone-----	120, 600, 000	120, 000, 000	120, 000, 000	-600, 000	-----
Total loans (authorization to spend debt receipts)-----	434, 600, 000	424, 000, 000	424, 000, 000	-10, 600, 000	-----
Salaries and expenses-----	12, 457, 000	12, 937, 000	12, 805, 000	+348, 000	-132, 000
Total, Rural Electrification Administration-----	447, 057, 000	436, 937, 000	436, 805, 000	-10, 252, 000	-132, 000

See footnotes at end of table, p. 80.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET
ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued**

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1968 (enacted to date) (5)	Budget estimates of new (obligational) authority, fiscal year 1969 (6)
TITLE II—CREDIT AGENCIES— Continued					
Farmers Home Administration:					
Direct loan account: (limitations)					
Real estate loans-----	(\$110, 000, 000)	(\$83, 000, 000)	(\$83, 000, 000)	(—\$27, 000, 000)	-----
Operating loans-----	(300, 000, 000)	(250, 000, 000)	(250, 000, 000)	(—50, 000, 000)	-----
Soil conservation loans-----	(7, 500, 000)	(4, 900, 000)	(4, 900, 000)	(—2, 600, 000)	-----
Total, direct loan account----	(417, 500, 000)	(337, 900, 000)	(337, 900, 000)	(—79, 600, 000)	-----
Rural housing direct loans-----	(15, 000, 000)	(30, 000, 000)	(15, 000, 000)	-----	(—\$15, 000, 000)
Total, loan limitations-----	(432, 500, 000)	(367, 900, 000)	(352, 900, 000)	(—79, 600, 000)	(—15, 000, 000)
Participation sales authorization (authorization to spend agency debt receipts)-----	750, 000, 000	425, 000, 000	-----	—750, 000, 000	—425, 000, 000
Payment of participation sales in- sufficiencies-----	13, 268, 000	-----	(³)	—13, 268, 000	-----

Rural water and waste disposal grants-----	30,000,000	27,250,000	28,000,000	-2,000,000	+750,000
Rural renewal-----	1,600,000	1,600,000	1,600,000		
Rural housing for domestic farm labor-----	3,500,000	5,000,000	3,500,000		-1,500,000
Salaries and expenses:					
Direct appropriation-----	55,988,000	59,132,000	57,641,000	+1,653,000	-1,491,000
Transfer from ACIF-----	(2,250,000)	(2,250,000)	(2,250,000)		
Transfer from other accounts---	(500,000)	(500,000)	(500,000)		
Total, salaries and expenses--	(58,738,000)	(61,882,000)	(60,391,000)	(+1,653,000)	(-1,491,000)
Total, new budget (obligational) authority, Farmers Home Administration-----	854,356,000	517,982,000	90,741,000	-763,615,000	-427,241,000
Total, title II, credit agencies--	1,301,413,000	954,919,000	527,546,000	-773,867,000	-427,373,000
TITLE III—CORPORATIONS					
Federal Crop Insurance Corporation, administrative and operating expenses:					
Appropriation-----	10,208,000	12,000,000	10,487,000	+279,000	-1,513,000
Premium income-----	(2,850,000)	(1,430,000)	(2,850,000)		(+1,420,000)
Total, FCIC-----	(18,058,000)	(13,430,000)	(13,337,000)	(+279,000)	(-93,000)

See footnotes at end of table, p. 80.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued**

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1968 (enacted to date) (5)	Budget estimates of new (obligational) authority, fiscal year 1969 (6)
TITLE III—CORPORATIONS—Con.					
Commodity Credit Corporation:					
Contract authorization-----	\$988, 860, 000			—\$988, 860, 000	
Liquidating appropriation-----		(\$350, 467, 000)	(\$350, 467, 000)	(+350, 467, 000)	
Reimbursement for net realized losses-----	1, 400, 000, 000	3, 298, 039, 000	2, 837, 645, 500	+1, 437, 645, 500	—\$460, 393, 500
Total, appropriation-----	⁹ (2, 388, 860, 000)	(3, 648, 506, 000)	(3, 188, 112, 500)	(+799, 252, 500)	(—460, 393, 500)
Limitation on administrative expenses-----	(31, 500, 000)	(31, 500, 000)	(31, 500, 000)		
Public Law 480:					
Sales, title I-----	1, 305, 500, 000	361, 537, 000	100, 000, 000	—1, 205, 500, 000	—261, 537, 000
Donations, title II-----	300, 000, 000	556, 606, 000	200, 000, 000	—100, 000, 000	—356, 606, 000
Total, Public Law 480-----	1, 605, 500, 000	918, 143, 000	300, 000, 000	—1, 305, 500, 000	—618, 143, 000
Bartered materials for supplemental stockpile-----	23, 000, 000 ⁹			—23, 000, 000	

Total, new budget (obligational) authority, title III, corporations	4, 027, 568, 000	4, 228, 182, 000	3, 148, 132, 500	-879, 435, 500	-1, 080, 049, 500
TITLE IV—RELATED AGENCIES					
Farm Credit Administration: Limitation on administration expenses	(\$3, 224, 000)	(\$3, 436, 000)	(3, 436, 000)	(+212, 000)	
National Advisory Commission on Food and Fiber	175, 000			-175, 000	
Total, title IV	175, 000			-175, 000	
RECAPITULATION					
Title I—General activities	1, 822, 449, 700	1, 740, 878, 800	1, 847, 957, 000	+25, 507, 300	+107, 078, 200
Title II—Credit agencies	1, 301, 413, 000	954, 919, 000	527, 546, 000	-773, 867, 000	-427, 373, 000
Title III—Corporations	4, 027, 568, 000	4, 228, 182, 000	3, 148, 132, 500	-879, 435, 500	-1, 080, 049, 500
Title IV—Related agencies	175, 000			-175, 000	
Total, new budget (obligational) authority	7, 151, 605, 700	6, 923, 979, 800	5, 523, 635, 500	-1, 627, 970, 200	-1, 400, 344, 300
Consisting of—					
1. Appropriations	4, 732, 945, 700	5, 974, 979, 800	4, 879, 635, 500	+146, 689, 800	-1, 095, 344, 300
2. Reappropriations	25, 200, 000			-25, 200, 000	
3. Contract authorizations	1, 208, 860, 000	100, 000, 000	220, 000, 000	-988, 860, 000	+120, 000, 000
4. Authorizations to spend from debt receipts	1, 184, 600, 000	849, 000, 000	424, 000, 000	-760, 600, 000	-425, 000, 000

See footnotes at end of table, p. 80.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1968 (enacted to date) (5)	Budget estimates of new (obligational) authority, fiscal year 1969 (6)
RECAPITULATION—Continued					
Memoranda:					
1. Appropriations to liquidate contract authorizations-----	(\$220, 000, 000)	(\$545, 967, 000)	(\$540, 467, 000)	(+ \$320, 467, 000)	(- \$5, 500, 000)
2. Appropriations, including appropriations for liquidation of contract authorizations-----	(4, 952, 945, 700)	(6, 520, 946, 800)	(5, 409, 502, 500)	(+ 456, 556, 800)	(- 1, 111, 444, 300)
3. Transfers from sec. 32-----	(167, 117, 000)	(186, 442, 000)	(186, 442, 000)	(+ 19, 325, 000)	-----

¹ Amounts have not been reduced to reflect reserves established pursuant to Public Law 90-218 (H.R. Res. 888). Proposed supplementals are also excluded.

² Included in amounts shown for sec. 32 funds in table for permanent new (obligational) authority p. 68 of this report.

³ In addition, carryover balances estimated at \$6,715,000 will be available in fiscal 1969.

⁴ In addition, carryover balances estimated at \$5,800,000 will be available in fiscal 1969.

⁵ In addition, carryover balances estimated at \$1,736,000 will be available in fiscal 1969.

⁶ Of the amount provided, \$13,440,250 is placed in reserve to be released only after the law rather than in an appropriation bill.

inspection activities of this service have been fully coordinated and placed on an efficient and economical operating basis.

⁷ Of the funds provided, \$25,000,000 are placed in reserve to be used only to the extent needed to meet program requirements.

⁸ Budget proposed indefinite appropriation, which was not allowed.

⁹ Includes \$983,860,000 of contract authorization established under authority of basic law rather than in an appropriation bill.

Union Calendar No. 533

90TH CONGRESS
2D SESSION

H. R. 16913

[Report No. 1335]

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1968

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1969, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quaran-
9 tine and regulatory work: *Provided*, That appropriations
10 hereunder shall be available for field employment pursuant
11 to the second sentence of section 706(a) of the Organic
12 Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000
13 shall be available for employment under 5 U.S.C. 3109:
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed three for replacement only:
17 *Provided further*, That appropriations hereunder shall be
18 available pursuant to 7 U.S.C. 2225, for the construction,
19 alteration, and repair of buildings and improvements, but
20 unless otherwise provided, the cost of constructing any one
21 building (except headhouses connecting greenhouses) shall
22 not exceed \$25,000, except for six buildings to be constructed
23 or improved at a cost not to exceed \$55,000 each, and the
24 cost of altering any one building during the fiscal year shall
25 not exceed \$7,500 or 7.5 per centum of the cost of the

1 building, whichever is greater: *Provided further*, That the
2 limitations on alterations contained in this Act shall not apply
3 to a total of \$100,000 for facilities at Beltsville, Maryland:

4 Research: For research and demonstrations on the pro-
5 duction and utilization of agricultural products; agricultural
6 marketing and distribution, not otherwise provided for; home
7 economics or nutrition and consumer use of agricultural and
8 associated products; and related research and services; and
9 for acquisition of land by donation, exchange, or purchase at
10 a nominal cost not to exceed \$100; \$125,972,500, and in ad-
11 dition not to exceed \$15,000,000 from funds available under
12 section 32 of the Act of August 24, 1935, pursuant to Public
13 Law 88-250 shall be transferred to and merged with this
14 appropriation: *Provided*, That the limitations contained here-
15 in shall not apply to replacement of buildings needed to carry
16 out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided*
17 *further*, That none of the funds appropriated in this Act shall
18 be used to formulate a budget estimate for fiscal 1970 of
19 more than \$15,000,000 for research to be financed by trans-
20 fer from funds available under section 32 of the Act of
21 August 24, 1935, and pursuant to Public Law 88-25;

22 Plant and animal disease and pest control: For opera-
23 tions and measures, not otherwise provided for, to control
24 and eradicate pests and plant and animal diseases and for
25 carrying out assigned inspection, quarantine, and regulatory

1 activities, as authorized by law, including expenses pursuant
2 to the Act of February 28, 1947, as amended (21 U.S.C.
3 114b-c), \$85,298,500, of which \$1,500,000 shall be ap-
4 portioned for use pursuant to section 3679 of the Re-
5 vised Statutes, as amended, for the control of outbreaks
6 of insects and plant diseases to the extent necessary
7 to meet emergency conditions: *Provided*, That no funds shall
8 be used to formulate or administer a brucellosis eradication
9 program for the current fiscal year that does not require
10 minimum matching by any State of at least 40 per centum:
11 *Provided further*, That, in addition, in emergencies which
12 threaten the livestock or poultry industries of the
13 country, the Secretary may transfer from other appro-
14 priations or funds available to the agencies or corporations
15 of the Department such sums as he may deem necessary, to
16 be available only in such emergencies for the arrest and
17 eradication of foot-and-mouth disease, rinderpest, contagious
18 pleuropneumonia, or other contagious or infectious diseases
19 of animals, or European fowl pest and similar diseases in
20 poultry, and for expenses in accordance with the Act of
21 February 28, 1947, as amended, and any unexpended bal-
22 ances of funds transferred under this head in the next pre-
23 ceding fiscal year shall be merged with such transferred
24 amounts;

25 Special fund: To provide for additional labor, subpr

1 fessional and junior scientific help to be employed under
2 contracts and cooperative agreements to strengthen the work
3 at research installations in the field, not more than \$2,000,-
4 000 of the amount appropriated under this head for the
5 previous fiscal year may be used by the Administrator of the
6 Agricultural Research Service in departmental research
7 programs in the current fiscal year, the amount so
8 used to be transferred to and merged with the appropriation
9 otherwise available under "Salaries and expenses, Research".

10 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
11 PROGRAM)

12 For payments, in foreign currencies owed to or owned
13 by the United States for market development research au-
14 thorized by section 104 (b) (1) and for agricultural and
15 forestry research and other functions related thereto author-
16 ized by section 104 (b) (3) of the Agricultural Trade De-
17 velopment and Assistance Act of 1954, as amended (7
18 U.S.C. 1704 (b) (1), (3)), to remain available until ex-
19 pended, \$4,500,000; and in addition, the June 30, 1968
20 unexpended balance of funds appropriated to the President
21 in the Supplemental Appropriation Act, 1959 (Public Law
22 85-766, approved August 27, 1958) under the heading
23 "Translation of publications and scientific cooperation" shall
24 be merged with this appropriation: *Provided*, That this
25 appropriation shall be available, in addition to other ap-

1 appropriations for these purposes, for payments in the foregoing
2 currencies: *Provided further*, That funds appropriated herein
3 shall be used for payments in such foreign currencies as the
4 Department determines are needed and can be used most
5 effectively to carry out the purposes of this paragraph: *Pro-*
6 *vided further*, That not to exceed \$25,000 of this appropria-
7 tion shall be available for payments in foreign currencies for
8 expenses of employment pursuant to the second sentence of
9 section 706 (a) of the Organic Act of 1944 (7 U.S.C.
10 2225), as amended by 5 U.S.C. 3109.

11 COOPERATIVE STATE RESEARCH SERVICE

12 PAYMENTS AND EXPENSES

13 For payments to agricultural experiment stations, for
14 grants for cooperative forestry and other research, for facili-
15 ties, and for other expenses, including \$51,113,000 to carry
16 into effect the provisions of the Hatch Act, approved March
17 2, 1887, as amended by the Act approved August 11, 1955
18 (7 U.S.C. 361a-361i), including administration by the
19 United States Department of Agriculture; \$3,370,000 for
20 grants for cooperative forestry research under the Act ap-
21 proved October 10, 1962 (16 U.S.C. 582a-582a-7); \$1,-
22 800,000 in addition to funds otherwise available for contracts
23 and grants for scientific research under the Act of August 4,
24 1965 (7 U.S.C. 450i) of which \$1,000,000 shall be for

1 the special cotton research program and \$400,000 for soy-
 2 bean research; \$2,000,000 for grants for facilities under the
 3 Act approved July 22, 1963 (7 U.S.C. 390-390k) ; \$310,-
 4 000 for penalty mail costs of agricultural experiment stations
 5 under section 6 of the Hatch Act of 1887, as amended; and
 6 \$365,000, for necessary expenses of the Cooperative State
 7 Research Service, including administration of payments to
 8 State agricultural experiment stations, funds for employment
 9 pursuant to the second sentence of section 706 (a) of the
 10 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
 11 \$50,000 for employment under 5 U.S.C. 3109; in all, \$58,-
 12 958,000.

13 EXTENSION SERVICE

14 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

15 Payments to States and Puerto Rico: For payments for
 16 cooperative agricultural extension work under the Smith-
 17 Lever Act, as amended by the Act of June 26, 1953, the
 18 Act of August 11, 1955, and the Act of October 5, 1962 (7
 19 U.S.C. 341-349), to be distributed under sections 3 (b) and
 20 3 (c) of the Act, \$77,082,500; and payments and contracts
 21 for such work under section 204 (b) -205 of the Agricultural
 22 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,450,000;
 23 in all, \$78,532,500: *Provided*, That funds hereby appro-
 24 priated pursuant to section 3 (c) of the Act of June 26, 1953,

1 shall not be paid to any State or Puerto Rico prior to avail-
2 ability of an equal sum from non-Federal sources for expendi-
3 ture during the current fiscal year.

4 Retirement and Employees' Compensation costs for ex-
5 tension agents: For cost of employer's share of Federal re-
6 tirement and for reimbursement for benefits paid from the
7 Employees' Compensation Fund for cooperative extension
8 employees, \$8,818,500.

9 Penalty mail: For costs of penalty mail for cooperative
10 extension agents and State extension directors, \$3,299,000.

11 Federal Extension Service: For administration of the
12 Smith-Lever Act, as amended by the Act of June 26, 1953,
13 the Act of August 11, 1955, and the Act of October 5, 1962
14 (7 U.S.C. 341-349), and extension aspects of the Agri-
15 cultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and
16 to coordinate and provide program leadership for the exten-
17 sion work of the Department and the several States and
18 insular possessions, \$2,838,000.

19 FARMER COOPERATIVE SERVICE

20 SALARIES AND EXPENSES

21 For necessary expenses to carry out the Act of July 2,
22 1926 (7 U.S.C. 451-457), and for conducting research re-
23 lating to the economic and marketing aspects of farmer co-
24 operatives, as authorized by the Agricultural Marketing
25 Act of 1946 (7 U.S.C. 1621-1627), \$1,341,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$114,893,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this

1 appropriation shall be available for the construction of any
2 such building on land not owned by the Government: *Pro-*
3 *vided further*, That no part of this appropriation may be
4 expended for soil and water conservation operations under
5 the Act of April 27, 1935 (16 U.S.C. 590a-590f) in
6 demonstration projects: *Provided further*, That this appro-
7 priation shall be available for field employment pursuant
8 to the second sentence of section 706 (a) of the Organic
9 Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000
10 shall be available for employment under 5 U.S.C. 3109:
11 *Provided further*, That qualified local engineers may be
12 temporarily employed at per diem rates to perform the tech-
13 nical planning work of the service.

14 WATERSHED PLANNING

15 For necessary expenses for small watershed investiga-
16 tions and planning, in accordance with the Watershed Pro-
17 tection and Flood Prevention Act, as amended (16 U.S.C.
18 1001-1008), to remain available until expended, \$6,165,-
19 000, with which shall be merged the unexpended balances
20 of funds heretofore appropriated under this head: *Provided*,
21 That this appropriation shall be available for field employ-
22 ment pursuant to the second sentence of section 706 (a)
23 of the Organic Act of 1944 (7 U.S.C. 2225), and not to
24 exceed \$50,000 shall be available for employment under
25 5 U.S.C. 3109.

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research, and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended; \$65,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home administration shall be available until expended for loans.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activi-

1 ties of the Department, to perform works of improvement,
2 including funds for field employment pursuant to the second
3 sentence of section 706 (a) of the Organic Act of 1944
4 (7 U.S.C. 2225), and not to exceed \$100,000 for employ-
5 ment under 5 U.S.C. 3109, to remain available until ex-
6 pended; \$20,000,000, with which shall be merged the
7 unexpended balances of funds heretofore appropriated or
8 transferred to the Department for flood prevention purposes:
9 *Provided*, That \$400,000 of funds in the direct loan account
10 of the Farmers Home Administration shall be available
11 until expended for loans.

12 GREAT PLAINS CONSERVATION PROGRAM

13 For necessary expenses to carry into effect a program of
14 conservation in the Great Plains area, pursuant to section 16
15 (b) of the Soil Conservation and Domestic Allotment Act,
16 as added by the Act of August 7, 1956 (16 U.S.C. 590p),
17 \$16,000,000, to remain available until expended.

18 RESOURCE CONSERVATION AND DEVELOPMENT

19 For necessary expenses in planning and carrying out
20 projects for resource conservation and development, and for
21 sound land use, pursuant to the provisions of section 32 (e)
22 of title III of the Bankhead-Jones Farm Tenant Act, as
23 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
24 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$6,-
25 256,000, to remain available until expended: *Provided*, That

1 \$1,500,000 of the funds available in the direct loan account
2 of the Farmers Home Administration shall be available for
3 loans under subtitle A of the Consolidated Farmers Home
4 Administration Act of 1961, as amended, to remain avail-
5 able until expended: *Provided further*, That this appropria-
6 tion shall be available for field employment pursuant to the
7 second sentence of section 706 (a) of the Organic Act of
8 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall
9 be available for employment under 5 U.S.C. 3109.

10 ECONOMIC RESEARCH SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses of the Economic Research Serv-
13 ice in conducting economic research and service relating to
14 agricultural production, marketing, and distribution, as
15 authorized by the Agricultural Marketing Act of 1946 (7
16 U.S.C. 1621-1627), and other laws, including economics of
17 marketing; analyses relating to farm prices, income and
18 population, and demand for farm products, use of resources
19 in agriculture, adjustments, costs and returns in farming,
20 and farm finance; and for analyses of supply and demand for
21 farm products in foreign countries and their effect on pros-
22 pects for United States exports, progress in economic devel-
23 opment and its relation to sales of farm products, assembly
24 and analysis of agricultural trade statistics and analysis of

1 international financial and monetary programs and policies as
2 they affect the competitive position of United States farm
3 products; \$12,789,000: *Provided*, That not less than \$350,-
4 000 of the funds contained in this appropriation shall be
5 available to continue to gather statistics and conduct a special
6 study on the price spread between the farmer and con-
7 sumer: *Provided further*, That this appropriation shall be
8 available for employment pursuant to the second sentence
9 of section 706 (a) of the Organic Act of 1944 (7 U.S.C.
10 2225), and not to exceed \$75,000 shall be available for
11 employment under 5 U.S.C. 3109: *Provided further*, That
12 not less than \$145,000 of the funds contained in this appro-
13 priation shall be available for analysis of statistics and related
14 facts on foreign production and full and complete informa-
15 tion on methods used by other countries to move farm
16 commodities in world trade on a competitive basis.

17 STATISTICAL REPORTING SERVICE

18 SALARIES AND EXPENSES

19 For necessary expenses of the Statistical Reporting Serv-
20 ice in conducting statistical reporting and service work, in-
21 cluding crop and livestock estimates, statistical coordination
22 and improvements, and marketing surveys, as authorized by
23 the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
24 1627) and other laws, \$14,184,500: *Provided*, That no part
25 of the funds herein appropriated shall be available for any

1 expense incident to publishing estimates of apple production
2 for other than the commercial crop: *Provided further*, That
3 this appropriation shall be available for employment pur-
4 suant to the second sentence of section 706 (a) of the
5 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
6 \$40,000 shall be available for employment under 5 U.S.C.
7 3109.

8 CONSUMER AND MARKETING SERVICE

9 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY 10 PROGRAMS

11 For expenses necessary to carry on services related to
12 consumer protection, agricultural marketing and distribution,
13 and regulatory programs, other than Packers and Stockyards
14 Act, as authorized by law, and for administration and co-
15 ordination of payments to States; including field employment
16 pursuant to section 706 (a) of the Organic Act of 1944
17 (7 U.S.C. 2225), and not to exceed \$25,000 for employment
18 under 5 U.S.C. 3109, in carrying out section 201 (a) to
19 201 (d), inclusive, of title II of the Agricultural Adjustment
20 Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the
21 Agricultural Marketing Act of 1946; \$118,989,500, of which
22 \$13,440,250 shall be placed in reserve to be released only
23 after the inspection activities of this service have been fully
24 coordinated and placed on an efficient and economical oper-
25 ating basis: *Provided*, That this appropriation shall be avail-

1 able pursuant to law (7 U.S.C. 2225) for the alteration and
 2 repair of buildings and improvements, but, unless otherwise
 3 provided, the cost of altering any one building during the
 4 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
 5 cost of the building, whichever is greater.

6 PAYMENTS TO STATES AND POSSESSIONS

7 For payments to departments of agriculture, bureaus
 8 and departments of markets, and similar agencies for mar-
 9 keting activities under section 204 (b) of the Agricultural
 10 Marketing Act of 1946 (7 U.S.C. 1623 (b)), \$1,750,000.

11 SPECIAL MILK PROGRAM

12 For necessary expenses to carry out the Special Milk
 13 Program, as authorized by the Child Nutrition Act of 1966
 14 (42 U.S.C. 1772), \$104,000,000, to be transferred from
 15 funds available under section 32 of the Act of August 24,
 16 1935 (7 U.S.C. 612c).

17 SCHOOL LUNCH PROGRAM

18 For necessary expenses to carry out the provisions of
 19 the National School Lunch Act, as amended (42 U.S.C.
 20 1751-1760) and the applicable provisions of the Child
 21 Nutrition Act of 1966 (42 U.S.C. 1773-1785), \$182,825,-
 22 000, including \$5,000,000 for special assistance to needy
 23 schools, \$3,500,000 for the pilot school breakfast program,
 24 \$750,000 for the nonfood assistance program: *Provided*,
 25 That no part of this appropriation shall be used for nonfood

1 assistance under section 5 of the National School Lunch Act,
2 as amended: *Provided further*, That \$64,325,000 shall be
3 transferred to this appropriation from funds available under
4 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),
5 for purchase and distribution of agricultural commodities
6 and other foods pursuant to section 6 of the National School
7 Lunch Act.

8 FOOD STAMP PROGRAM

9 For necessary expenses of the food stamp program pur-
10 suant to the Food Stamp Act of 1964, as amended, \$225,-
11 000,000, of which \$25,000,000 shall be placed in reserve to
12 be used only to the extent required during the current fiscal
13 year after various corrections are made in the handling
14 of the program.

15 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

16 (SECTION 32)

17 No funds available under section 32 of the Act of August
18 24, 1935 (7 U.S.C. 612c) shall be used for any purpose
19 other than commodity program expenses as authorized there-
20 in, and other related operating expenses, except for (1)
21 transfers to the Department of the Interior as authorized by
22 the Fish and Wildlife Act of August 8, 1956, (2) transfers
23 otherwise provided in this Act, and (3) not more than
24 \$2,950,000 for formulation and administration of marketing

1 agreements and orders pursuant to the Agricultural Mar-
2 keting Agreement Act of 1937, as amended, and the Agri-
3 cultural Act of 1961.

4 FOREIGN AGRICULTURAL SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses for the Foreign Agricultural
7 Service, including carrying out title VI of the Agricultural
8 Act of 1954 (7 U.S.C. 1761-1768), market development
9 activities abroad, and for enabling the Secretary to coordi-
10 nate and integrate activities of the Department in connection
11 with foreign agricultural work, including not to exceed
12 \$35,000 for representation allowances and for expenses
13 pursuant to section 8 of the Act approved August 3, 1956
14 (7 U.S.C. 1766), \$21,153,800: *Provided*, That not less
15 than \$255,000 of the funds contained in this appropriation
16 shall be available to obtain statistics and related facts on
17 foreign production and full and complete information on
18 methods used by other countries to move farm commodities in
19 world trade on a competitive basis: *Provided further*, That,
20 in addition, not to exceed \$3,117,000 of the funds appropri-
21 ated by section 32 of the Act of August 24, 1935, as
22 amended (7 U.S.C. 612c), shall be merged with this appro-
23 priation and shall be available for all expenses of the Foreign
24 Agricultural Service.

1 COMMODITY EXCHANGE AUTHORITY

2 SALARIES AND EXPENSES

3 For necessary expenses to carry into effect the provisions
4 of the Commodity Exchange Act, as amended (7 U.S.C. 1-
5 17a) , \$1,530,000.

6 AGRICULTURAL STABILIZATION AND CONSERVATION

7 SERVICE

8 EXPENSES, AGRICULTURAL STABILIZATION AND

9 CONSERVATION SERVICE

10 For necessary administrative expenses of the Agricul-
11 tural Stabilization and Conservation Service, including ex-
12 penses to formulate and carry out programs authorized by
13 title III of the Agricultural Adjustment Act of 1938, as
14 amended (7 U.S.C. 1301-1393) ; Sugar Act of 1948, as
15 amended (7 U.S.C. 1101-1161) ; sections 7 to 15, 16 (a) ,
16 16 (d) , 16 (e) , 16 (f) , 16 (i) , and 17 of the Soil Conserva-
17 tion and Domestic Allotment Act, as amended (16 U.S.C.
18 590g-590q) ; subtitles B and C of the Soil Bank Act (7
19 U.S.C. 1831-1837, 1802-1814, and 1816) ; and laws per-
20 taining to the Commodity Credit Corporation, \$141,031,-
21 400: *Provided*, That, in addition, not to exceed \$62,764,-
22 100 may be transferred to and merged with this appropria-
23 tion from the Commodity Credit Corporation fund (including
24 not to exceed \$27.205,000 under the limitation on Commod-

ity Credit Corporation administrative expenses) : *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$80,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16 (a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590 (o), 590p (a), and 590q), including not to exceed \$6,000 for the

1 preparation and display of exhibits, including such displays
2 at State, interstate, and international fairs within the United
3 States, \$190,000,000, to remain available until December 31
4 of the next succeeding fiscal year for compliance with the
5 programs of soil-building and soil- and water-conserving
6 practices authorized under this head in the Department of
7 Agriculture and Related Agencies Appropriation Acts, 1967
8 and 1968, carried out during the period July 1, 1966, to
9 December 31, 1968, inclusive: *Provided*, That none of the
10 funds herein appropriated shall be used to pay the salaries or
11 expenses of any regional information employees or any State
12 information employees, but this shall not preclude the an-
13 swering of inquiries or supplying of information at the county
14 level to individual farmers: *Provided further*, That no por-
15 tion of the funds for the current year's program may be
16 utilized to provide financial or technical assistance for drain-
17 age on wetlands now designated as Wetland Types 3 (III),
18 4 (IV), and 5 (V) in United States Department of the
19 Interior, Fish and Wildlife Circular 39, Wetlands of the
20 United States, 1956: *Provided further*, That necessary
21 amounts shall be available for administrative expenses in
22 connection with the formulation and administration of the
23 1969 program of soil-building and soil- and water-conserving
24 practices, including related wildlife conserving practices, un-

1 der the Act of February 29, 1936, as amended (amounting
2 to \$220,000,000, excluding administration, except that no
3 participant shall receive more than \$2,500, except where the
4 participants from two or more farms or ranches join to carry
5 out approved practices designed to conserve or improve the
6 agricultural resources of the community) : *Provided further,*
7 That not to exceed 5 per centum of the allocation for the
8 current year's agricultural conservation program for any
9 county may, on the recommendation of such county commit-
10 tee and approval of the State committee, be withheld and
11 allotted to the Soil Conservation Service for services of its
12 technicians in formulating and carrying out the agricultural
13 conservation program in the participating counties, and shall
14 not be utilized by the Soil Conservation Service for any pur-
15 pose other than technical and other assistance in such coun-
16 ties, and in addition, on the recommendation of such county
17 committee and approval of the State committee, not to ex-
18 ceed 1 per centum may be made available to any other
19 Federal, State, or local public agency for the same purpose
20 and under the same conditions: *Provided further,* That for
21 the current year's program \$2,500,000 shall be available for
22 technical assistance in formulating and carrying out agricul-
23 tural conservation practices: *Provided further,* That such
24 amounts shall be available for the purchase of seeds, fertil-
25 izers, lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricultural
2 producers to aid them in carrying out farming practices ap-
3 proved by the Secretary under programs provided for herein:
4 *Provided further*, That no part of any funds available to the
5 Department, or any bureau, office, corporation, or other
6 agency constituting a part of such Department, shall be used
7 in the current fiscal year for the payment of salary or travel
8 expenses of any person who has been convicted of violating
9 the Act entitled "An Act to prevent pernicious political
10 activities", approved August 2, 1939, as amended, or who
11 has been found in accordance with the provisions of title 18,
12 United States Code, section 1913, to have violated or at-
13 tempted to violate such section which prohibits the use of
14 Federal appropriations for the payment of personal services
15 or other expenses designed to influence in any manner a
16 Member of Congress to favor or oppose any legislation or
17 appropriation by Congress except upon request of any Mem-
18 ber or through the proper official channels.

19 CROPLAND ADJUSTMENT PROGRAM

20 For necessary expenses to carry into effect a cropland
21 adjustment program as authorized by the Food and Agri-
22 culture Act of 1965 (7 U.S.C. 1838), \$84,500,000.

23 CONSERVATION RESERVE PROGRAM

24 For necessary expenses to carry out a conservation
25 reserve program as authorized by subtitles B and C of the

1 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
2 1816), and to carry out liquidation activities for the acreage
3 reserve program, to remain available until expended, \$109,-
4 000,000, with which may be merged the unexpended bal-
5 ances of funds heretofore appropriated for soil bank pro-
6 grams: *Provided*, That no part of these funds shall be paid
7 on any contract which is illegal under the law due to the
8 division of lands for the purpose of evading limits on annual
9 payments to participants.

10 EMERGENCY CONSERVATION MEASURES

11 For emergency conservation measures, to be used for the
12 same purposes and subject to the same conditions as funds
13 appropriated under this head in the Third Supplemental Ap-
14 propriation Act, 1957, to remain available until expended,
15 \$5,000,000, with which shall be merged the unexpended
16 balances of funds heretofore appropriated for emergency con-
17 servation measures.

18 RURAL COMMUNITY DEVELOPMENT SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses, not otherwise provided for, of the
21 Rural Community Development Service in providing leader-
22 ship and related services in carrying out the rural areas
23 development activities of the Department, \$463,000: *Pro-*
24 *vided*, That not to exceed \$3,000 shall be available for em-
25 ployment under 5 U.S.C. 3109.

1 OFFICE OF THE INSPECTOR GENERAL

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Inspector
4 General, including employment pursuant to the second sen-
5 tence of section 706 (a) of the Organic Act of 1944 (7
6 U.S.C. 2225), and not to exceed \$10,000 for employment
7 under 5 U.S.C. 3109, \$12,276,000.

8 PACKERS AND STOCKYARDS ADMINISTRATION

9 SALARIES AND EXPENSES

10 For expenses necessary for administration of the Packers
11 and Stockyards Act, as authorized by law, including field
12 employment pursuant to section 706 (a) of the Organic Act of
13 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for
14 employment under 5 U.S.C. 3109, \$2,565,300.

15 OFFICE OF THE GENERAL COUNSEL

16 SALARIES AND EXPENSES

17 For necessary expenses, including payment of fees or
18 dues for the use of law libraries by attorneys in the field
19 service, \$4,461,000.

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the coordi-
24 nation of informational work and programs authorized by
25 Congress in the Department, \$1,965,000, of which total

1 appropriation not to exceed \$587,000 may be used for
2 farmers' bulletins, which shall be adapted to the interests
3 of the people of the different sections of the country,
4 an equal proportion of four-fifths of which shall be available
5 to be delivered to or sent out under the addressed franks fur-
6 nished by the Senators, Representatives, and Delegates in
7 Congress, as they shall direct (7 U.S.C. 417), and not less
8 than two hundred and thirty-two thousand two hundred and
9 fifty copies for the use of the Senate and House of Repre-
10 sentatives of part 2 of the annual report of the Secretary
11 (known as the Yearbook of Agriculture) as authorized by
12 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
13 *Provided*, That in the preparation of motion pictures or ex-
14 hibits by the Department, this appropriation shall be avail-
15 able for employment pursuant to the second sentence of sec-
16 tion 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225),
17 and not to exceed \$10,000 shall be available for employ-
18 ment under 5 U.S.C. 3109.

19 NATIONAL AGRICULTURAL LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses of the National Agricultural
22 Library, \$3,166,500: *Provided*, That this appropriation shall
23 be available for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (7 U.S.C.

1 2225), and not to exceed \$35,000 shall be available for
2 employment under 5 U.S.C. 3109.

3 OFFICE OF MANAGEMENT SERVICES

4 SALARIES AND EXPENSES

5 For necessary expenses to enable the Office of Manage-
6 ment Services to provide management support services to
7 selected agencies and offices of the Department of Agricul-
8 ture, \$2,821,000.

9 GENERAL ADMINISTRATION

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Secretary
12 of Agriculture and for general administration of the Depart-
13 ment of Agriculture, repairs and alterations, and other mis-
14 cellaneous supplies and expenses not otherwise provided for
15 and necessary for the practical and efficient work of the
16 Department of Agriculture, and not to exceed \$5,000 for
17 employment under 5 U.S.C. 3109, \$4,614,000: *Provided*,
18 That this appropriation shall be reimbursed from applicable
19 appropriations for travel expenses incident to the holding
20 of hearings as required by 5 U.S.C. 551-558: *Provided*
21 *further*, That not to exceed \$2,500 of this amount shall be
22 available for official reception and representation expenses,
23 not otherwise provided for, as determined by the Secretary.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, and to remain available without fiscal year limitation in accordance with section 3 (e) of said Act, as follows: rural electrification program, \$304,000,000, and rural telephone program, \$120,000,000.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 for employment under 5 U.S.C. 3109, \$12,805,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Ad-

1 ministration Act of 1961 (7 U.S.C. 1921), as amended,
2 may be made from funds available in the Farmers Home
3 Administration direct loan account as follows: real estate
4 loans, \$83,000,000; and operating loans, \$250,000,000.

5 RURAL HOUSING DIRECT LOAN ACCOUNT

6 For direct loans and related advances pursuant to section
7 518 (d) of the Housing Act of 1949 (42 U.S.C. 1488),
8 \$15,000,000 shall be available from funds in the rural hous-
9 ing direct loan account: *Provided*, That farmer applicants
10 for housing loans shall be required to offer only such col-
11 lateral security as is required of owners of nonfarm tracts.

12 RURAL WATER AND WASTE DISPOSAL GRANTS

13 For grants pursuant to sections 306 (a) (2) and 306
14 (a) (6) of the Consolidated Farmers Home Administration
15 Act of 1961, as amended (7 U.S.C. 1926), \$28,000,000.

16 RURAL RENEWAL

17 For necessary expenses, including administrative ex-
18 penses, in carrying out rural renewal activities under section
19 32 (e) of title III of the Bankhead-Jones Farm Tenant Act,
20 as amended (7 U.S.C. 1010, 1011 (e)), \$1,600,000, to
21 remain available until expended.

22 RURAL HOUSING FOR DOMESTIC FARM LABOR

23 For financial assistance to public nonprofit organizations
24 for housing for domestic farm labor, pursuant to section 516

1 of the Housing Act of 1949, as amended (42 U.S.C. 1486),
2 \$3,500,000, to remain available until expended.

3 SALARIES AND EXPENSES

4 For necessary expenses of the Farmers Home Adminis-
5 tration, not otherwise provided for, in administering the pro-
6 grams authorized by the Consolidated Farmers Home Admin-
7 istration Act of 1961 (7 U.S.C. 1921-1990), as amended,
8 title V of the Housing Act of 1949, as amended (42 U.S.C.
9 1471-1490), and the Rural Rehabilitation Corporation
10 Trust Liquidation Act, approved May 3, 1950 (40 U.S.C.
11 440-444), \$57,641,000, together with not more than
12 \$2,250,000 of the charges collected in connection with
13 the insurance of loans as authorized by section 309 (e) of
14 the Consolidated Farmers Home Administration Act of 1961,
15 as amended, and section 514 (b) (3) of the Housing Act of
16 1949, as amended: *Provided*, That, in addition, not to exceed
17 \$500,000 of the funds available for the various programs
18 administered by this agency may be transferred to this ap-
19 propriation for temporary field employment pursuant to the
20 second sentence of section 706 (a) of the Organic Act of 1944
21 (7 U.S.C. 2225) to meet unusual or heavy workload increases:
22 *Provided further*, That no part of any funds in this paragraph
23 may be used to administer a program which makes rural
24 housing grants pursuant to section 504 of the Housing Act
25 of 1949, as amended.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as herein after provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$10,487,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,850,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,188,112,500, of which \$350,467,000 is for liquidation of contract authorization:

1 *Provided*, That no funds appropriated by this Act shall be
2 used to formulate or administer programs for the sale of agri-
3 cultural commodities pursuant to title I of Public Law 480,
4 83d Congress, as amended, to any nation which sells or
5 furnishes or which permits ships or aircraft under its regis-
6 try to transport to North Vietnam any equipment, materials
7 or commodities, so long as North Vietnam is governed by
8 a Communist regime.

9 LIMITATION ON ADMINISTRATIVE EXPENSES

10 Nothing in this Act shall be so construed as to prevent
11 the Commodity Credit Corporation from carrying out any
12 activity or any program authorized by law: *Provided*, That
13 not to exceed \$31,500,000 shall be available for administra-
14 tive expenses of the Corporation: *Provided further*, That
15 \$945,000 of this authorization shall be available only to
16 expand and strengthen the sales program of the Corporation
17 pursuant to authority contained in the Corporation's charter:
18 *Provided further*, That not less than 7 per centum of this
19 authorization shall be placed in reserve to be apportioned
20 pursuant to section 3679 of the Revised Statutes, as amended,
21 for use only in such amounts and at such times as may be-
22 come necessary to carry out program operations: *Provided*
23 *further*, That all necessary expenses (including legal and
24 special services performed on a contract or fee basis, but not
25 including other personal services) in connection with the

1 acquisition, operation, maintenance, improvement, or disposi-
 2 tion of any real or personal property belonging to the Cor-
 3 poration or in which it has an interest, including expenses of
 4 collections of pledged collateral, shall be considered as non-
 5 administrative expenses for the purposes hereof.

6 PUBLIC LAW 480

7 For expenses during fiscal year 1969, not otherwise re-
 8 coverable, and unrecovered prior years' costs, including in-
 9 terest thereon, under the Agricultural Trade Development
 10 and Assistance Act of 1954, as amended (7 U.S.C. 1701-
 11 1710, 1721-1725, 1731-1736d), to remain available until
 12 expended, as follows: (1) sale of agricultural commodities
 13 for foreign currencies and for dollars on credit terms pursuant
 14 to title I of said Act, \$100,000,000: *Provided*, That any
 15 unexpended balances of appropriations heretofore available
 16 under this heading for title I of said Act may be merged with
 17 this appropriation; and (2) commodities disposed of and
 18 other costs incurred in connection with donations abroad,
 19 pursuant to title II of said Act, \$200,000,000.

20 TITLE IV—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$3,436,000 (from assessments collected
 24 from farm credit agencies) shall be obligated during the
 25 current fiscal year for administrative expenses.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addi-
5 tion to those specifically provided for, of not to exceed
6 six hundred and twenty-six (626) passenger motor vehicles,
7 of which four hundred and fifty-seven (457) shall be
8 for replacement only, and for the hire of such vehicles.

9 SEC. 502. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 503. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by law (5 U.S.C. 5901-5902).

15 SEC. 504. No part of the funds appropriated by this
16 Act shall be used for the payment of any officer or employee
17 of the Department who, as such officer or employee, or on
18 behalf of the Department or any division, commission, or
19 bureau thereof, issues, or causes to be issued, any prediction,
20 oral or written, or forecast, except as to damage threatened
21 or caused by insects and pests, with respect to future prices
22 of cotton or the trend of same.

23 SEC. 505. Except to provide materials required in or
24 incident to research or experimental work where no suitable
25 domestic product is available, no part of the funds appro-

1 priated by this Act shall be expended in the purchase of
2 twine manufactured from commodities or materials produced
3 outside of the United States.

4 SEC. 506. Not less than \$1,500,000 of the appropria-
5 tions of the Department for research and service work au-
6 thorized by the Acts of August 14, 1946, July 28, 1954, and
7 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C
8 1891-1893), shall be available for contracting in accordance
9 with said Acts.

10 SEC. 507. No part of any appropriation contained in
11 this Act shall remain available for obligation beyond the cur-
12 rent fiscal year unless expressly so provided herein.

13 SEC. 508. None of the funds in this Act shall be available
14 to finance interdepartmental boards, commissions, councils,
15 committees, or similar groups under sec. 214 of the Inde-
16 pendent Offices Appropriation Act, 1946 (31 U.S.C. 691)
17 which do not have prior and specific Congressional approval
18 of such method of financial support.

19 SEC. 509. In no event shall the expenditures in fiscal
20 year 1969 for the programs financed by this bill (excluding
21 the Farm Credit Administration and its member institutions)
22 exceed in the aggregate the total actual expenditures author-
23 ized for fiscal year 1968, plus (1) expenditures neces-
24 sary in fiscal year 1969 to cover pay cost increases, retire-

1 ment and compensation fund costs, penalty mail costs, em-
2 ployee compensation costs, and similar mandatory items,
3 and (2) expenditures necessary to meet the increases pro-
4 vided in this bill for meat and poultry inspection and the
5 food stamp program.

6 This Act may be cited as the “Department of Agricul-
7 ture and Related Agencies Appropriation Act, 1969”.

90TH CONGRESS
2D SESSION

H. R. 16913

[Report No. 1335]

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

By Mr. WHITTEN

APRIL 30, 1968

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued May 2, 1968
For actions of May 1, 1968
90th-2nd; No. 73

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HIGHLIGHTS: House passed agricultural appropriation bill. House committee reported grain-standards and emergency-loans measures. Rep. Mahon inserted Appropriations Committee resolution recommending fiscal policy restraints.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Passed, 318-70, with amendments this bill, H. R. 16913. pp. H3119-74

Agreed to the following amendments:

By Rep. Bow, by a vote of 99 to 87, to limit expenditures to \$6,524,470,897 except certain CCC expenditures required by law. pp. H3170-1

By Rep. Broyhill, Va., by a vote of 86 to 60, to prohibit use of these funds to pay the salary of any Federal employee convicted of inciting, promoting, or carrying on a riot, or any illegal group activity resulting in material damage to property or injury to persons. pp. H3171-3

Rejected the following amendments:

By Rep. Kyl, to limit 1969 payments under the Cropland Adjustment Program to \$55,500,000. p. H3150

By Rep. Findley, by a vote of 79 to 129, to limit payments under the various ASCS programs to not more than \$10,000 for each recipient. pp. H3151-68

By Rep. Matsunaga, to exempt sugar payments from the Findley amendment. pp. H3167-8

By Rep. Broyhill, by a vote of 37 to 72, a more comprehensive version of his anti-riot amendment which was later agreed to. pp. H3168-70

2. GRAIN STANDARDS. The Agriculture Committee reported with amendment H. R. 15794, to revise the Grain Standards Act (H. Rept. 1344). p. H3213
3. EMERGENCY LOANS. The Agriculture Committee reported without amendment H. J. Res. 1227, to authorize the temporary funding of the emergency credit revolving fund (H. Rept. 1345). p. H3213
4. MANPOWER. Both Houses received the President's annual report on the manpower program (H. Doc. 302). pp. H3118-9, S4691
5. EDUCATION. Agreed to a resolution for consideration of H. R. 16729, to amend legislation regarding higher education. pp. H3174-7
6. ECONOMIC SITUATION. Rep. Patman inserted and commended an article criticizing the Federal Reserve Chairman's recent statement about the economic situation. pp. H3209-10
7. EXPORT-IMPORT BANK. Received from the Comptroller General a report on the audit of the Export-Import Bank (H. Doc. 303). p. H3213
8. BUILDINGS. Received from the State Department a proposed bill to authorize additional appropriations for foreign buildings; to Foreign Affairs Committee. p. H3213
Received from the Labor Department a proposed bill to apply prevailing wage protection in accordance with the Davis-Bacon Act to construction or reconstruction of buildings to be leased for public purposes; to Public Works Committee. p. H3213
9. STATION TRANSFERS. Received from the Comptroller General a report on administration of allowances for Federal employees upon permanent change of official station. p. H3213
10. LEGISLATIVE PROGRAM. Rep. Albert announced that the higher-education and NASA-authorization bills will be considered today, May 2. p. H3118

To the Congress of the United States:

It is a traditional event for the President to submit to Congress an annual report on the progress of our manpower programs.

Although the custom is long-established, there is nothing routine about this report or its subject: jobs for our citizens; more useful, more satisfying jobs to give Americans a sense of full participation in their society.

Four months ago I told Congress that jobs are "the first essential."

In my first special legislative message this year, I proposed that Congress launch a new \$2.1 billion manpower program—the most sweeping in our history.

At the same time I called on the leaders of American commerce and industry to form a National Alliance of Businessmen to provide jobs for hundreds of thousands of the hard-core unemployed.

On April 25, the Alliance reported to me on its progress so far:

—More than 500 executives, whose talents command more than \$15 million in salaries alone, have volunteered to work full time in fifty of our largest cities. They are assisted by 7,000 other volunteers.

—By mid-April, the Alliance had received pledges of 111,000 jobs—66,000 permanent jobs for the hard-core unemployed, and 45,000 summer jobs for poor young people.

—Labor unions, the Urban Coalition, Chambers of Commerce, churches, schools and many civic groups have joined this crusade to give the words "full employment" a new meaning in America.

Meanwhile, the Government's new Concentrated Employment Program has been active in more than 50 cities meshing its efforts with the National Alliance of Businessmen. And the administration of our job programs has been given new energy through reorganization and strong leadership.

These are hopeful beginnings. But certainly they are no grounds for complacency.

In every city, there are men who wake up each morning and have no place to go; men who want work—but cannot break the confining welfare chain or overcome the barriers of life-long discrimination, or make up for the lack of schooling and training.

When we talk about unemployment, we are talking about these citizens, who want and need personal dignity and a stake in America's progress.

When we talk about manpower programs, we are talking about hope for these Americans.

And every time we tabulate new statistics of success in these programs, we are recording a small personal triumph somewhere: a man trained; a youth given a sense of his value; a family freed at last from welfare.

That hope is what makes this great task so exciting—and so vital.

To every member of the Congress, upon whom our manpower program depend, I commend this report.

I urge the Congress to support these programs by approving the \$2.1 billion

manpower budget request I recommended in January.

LYNDON B. JOHNSON.
THE WHITE HOUSE, May 1, 1968.

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Adair	Everett	Moore
Andrews, Ala.	Feighan	Nelsen
Arends	Galifianakis	Nichols
Ashmore	Gardner	O'Neill, Mass.
Baring	Gibbons	Pettis
Bolton	Green, Oreg.	Pool
Brown, Calif.	Gurney	Rees
Colmer	Hagan	Resnick
Cramer	Halleck	Rhodes, Ariz.
Dawson	Herlong	Saylor
Dent	Holland	Schneebeli
Diggs	Johnson, Pa.	Selden
Dowdy	Karsten	Stubblefield
Dulski	Kupferman	Teague, Tex.
Eilberg	Landrum	Vanik

The SPEAKER. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1969

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. MICHEL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16913, with Mr. CORMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we have pending before us today a bill which, in my opinion, is vital to the whole country and to its

economic structure. This is a bill which provides for the staff of life and other essentials of life—food, clothing, and shelter.

I have had the privilege and pleasure through the years, since I have been here in Congress, of handling this bill, probably 15 or 16 times. Each year it gets a little more difficult from some standpoints to defend and to advocate its passage with its varied programs, because fewer and fewer people understand and comprehend the many complex problems and programs which exist in the Department of Agriculture.

Mr. Chairman, through the ages man's standard of living has been measured by how much time he has had left after providing for his essentials. Judged by this yardstick the United States has had marvelous success.

Mr. Chairman, I do not believe that any other nation of the world can do what we already have been doing here. Only 6 percent of our people are directly engaged in agriculture. As a result of that, 94 percent of our people are free to follow other occupations. Those on the farm have done the job for the Nation, while receiving an average of only 5 percent of the consumers' disposable income after marketing and distributing costs are skimmed off the top. In total the consumer spends less than 18 percent of his income for food. The 6 percent of our people on the farm not only furnish the raw materials for industry and labor, but constitute the biggest market for industrial output, thereby constituting a major part of a prosperous national economy.

This bill before you today provides for the general operations of the Department of Agriculture and the Farm Credit Administration. Title I includes the regular continuing programs of the Department, such as research; disease and pest control; inspection of meat, poultry, and other foods; special milk, school lunch, and food stamp programs; overseas agricultural services; regulation of commodity markets; policing of packers and stockyards; State experiment stations and extension services; assistance to farm cooperatives; soil and water conservation; crop reports; marketing services; enforcement of the new program for licensing and control of laboratory animals; and various service and staff offices. Title II includes the credit programs for rural electrification and rural telephones, and the various loan programs of the Farmers Home Administration. Title III includes Federal crop insurance, Commodity Credit Corporation, and foreign assistance programs. Title IV includes the Farm Credit Administration.

This bill provides new obligatory budget authority of \$5,523,635,500, a reduction of \$1,400,344,300 from the \$6,923,979,800 requested by the executive branch. This is a 20-percent decrease in the 1969 budget and a 24-percent reduction below funds provided for 1968.

Despite the large reductions recommended for next year, the bill provides as fully as possible for the production of ample food for our consumers; the pro-

tection of public health against insects, diseases, and contaminated foods; the preservation of our natural resources for present and future generations; and the improvement of our foreign exchange position in world trade.

The amounts provided represent the best possible balance between the necessity to curtail expenditures wherever possible to help finance our wartime commitments, and the need to continue those Federal programs which preserve a sound agricultural economy so vital to the overall economy.

COMMITTEE RECOMMENDATIONS

During the consideration of retrenchment legislation last year, a great deal of consideration was given to the best means of effecting Government economies. On October 18, 1967, the House of Representatives adopted a plan which would have held expenditures, with some exceptions, to the 1967 level. This action was based on the feeling of most Members that it was better to hold operations to a level previously determined by Congress than to apply a percentage cut to the budget or adopt an overall expenditure ceiling, either of which methods leaves the final decisions on funding levels for specific projects and programs to the executive branch.

In arriving at the amounts recommended in the bill for fiscal year 1969, the committee has used the same approach and the same reasoning. For most items in the bill, the committee has recommended for next year the 1967 or actual 1968 operating level after reductions pursuant to House Joint Resolution 888. In several instances, which are explained fully in this report, the level provided by Congress for 1968 has been approved for 1969.

The bill includes only three increases above the 1968 appropriations level where special circumstances make the provision of such additional funds essential. These include an increase of \$26,880,500 for additional meat and poultry inspection work, one-half of which is placed in a reserve. Reorganization of the Consumer and Marketing Service to put these activities on a coordinated and efficient operating basis should result in substantial savings. An additional \$40 million is provided for the food stamp program, of which \$25 million is placed in reserve to be released by the Bureau of the Budget to the extent necessary after various corrections in the handling of the program are made. An increase of \$500,000 has been provided to enable the Department's library to move to its new quarters at Beltsville, which have been under construction since 1966, and will be ready for occupancy in October 1968.

The committee is of the opinion that loan funds requested by the Bureau of the Budget for FHA operating loans will likely prove wholly inadequate for a full year. The committee has provided only the budgeted figure since, based on 1968 experience, additional allowances probably would be frozen. The Bureau of the Budget is urged, however, to review the loan needs for this program for both 1968 and 1969 and advise the Congress of its findings.

The amounts approved for next year represent rather severe retrenchment in some instances, since personnel and other reductions will be required to meet the annualization of pay costs and other increases in operating costs in fiscal year 1969. The committee feels, however, that such action is warranted as Agriculture's contribution to the Government-wide reductions which will be necessary to reduce the large projected budget deficit for fiscal year 1969. The committee believes that specific action taken now to indicate congressional intent on funds for next year's operations of the Department of Agriculture is preferable to formula cuts, expenditure limitations, or total elimination of some programs in favor of others, which might be made later. The uncertainty, confusion, and inability to make advance plans which result from Government-wide retrenchment legislation enacted subsequent to the appropriation bills—last year it was over 5 months after the fiscal year had begun—is very costly both in terms of unnecessary expenditures and reductions in program performance.

REDUCTION IN EXPENDITURES

In recognition of the necessity of curtailment Federal expenditures and reducing the projected budget deficit for fiscal year 1969, the committee has included language in the bill—section 509 of general provisions—which is intended to hold expenditures in fiscal year 1969 to the authorized 1968 expenditure level plus: first, mandatory increases such as annualization of pay costs, postage increases, increases for retirement and employee compensation costs; and second, program increases included in the bill for next year for meat and poultry inspection and the food stamp program.

As noted earlier, the new budget—obligational—authority for fiscal year 1969 has been reduced by \$1,400,344,300. The major portion of this reduction, however, does not reduce the estimated expenditures projected in the budget for fiscal year 1969. The proposed elimination of the participation sales authorization does not reduce 1969 expenditures, although this action will reduce future expenditures and will save the extra costs involved in selling Government securities, the amount of which cannot be determined at this time. Also, the recommended reduction in funds for restoration of capital impairment of the Commodity Credit Corporation has no effect on fiscal year 1969 expenditures, since these funds represent the replacement of amounts expended in prior years.

Further, of the \$6,938,585,000 expenditure level projected for fiscal year 1969 in the 1969 budget—excluding Forest Service—an estimated \$1,589,200,000 represents mandatory expenditures to liquidate commitments made from prior-year funds. In addition, 1969 expenditures from trust funds and permanent appropriations not included in this bill are estimated at \$461,244,000. This leaves a balance of expenditures from appropriations and loan funds covered in this bill of \$4,888,141,000.

The major portion of this balance, \$2,-

775,769,000, represents uncontrollable expenditures of the Commodity Credit Corporation which, under its basic Charter Act, must make such expenditures as may be necessary to carry out its price support responsibilities. This leaves a balance of \$2,112,769,000 of 1969 projected expenditures which are subject to congressional action in this bill.

To retain the 1968 expenditure level, plus the essential increases outlined above, it has been necessary to reduce expenditures in the bill for fiscal year 1969 by \$414,114,000. This is approximately 20 percent of the estimated expenditures in those areas subject to congressional control. The computation of the effect of these reductions on the major sections of the bill follows:

1969 expenditures (excluding Forest Service and including loan funds, trust funds and permanents)	\$6,938,585,000
Effect on expenditures of amounts proposed in bill:	
Title I, general activities	—35,900,000
Title II, credit agencies	—15,100,000
Title III, corporations:	
Public Law 480	—361,814,000
Other	—1,300,000
Total, title III, corporations	—363,114,000
Total expenditure reduction	—414,114,000
Total estimated expenditures, fiscal year 1969	6,524,471,000

In view of the fact that the Commodity Credit Corporation is a Government corporation, the expenditures of which are required by law from corporate funds, and in view of the fact that the basic law requires this corporation to carry out its price support responsibilities regardless of the availability of funds, it is impossible to control the expenditure level of this organization. Accordingly, it is understood that the amount indicated above must, of necessity, be increased to the extent that the net expenditures of the Corporation during the coming fiscal year exceed the expenditure level of \$2,775,372,000 included therein.

Also, there may be some essential minor changes in expenditures as a result of uncontrollable variations in receipts from the public. Estimates of such receipts have been netted against expenditures in these calculations.

EFFECT ON PERSONNEL

The severe reductions in funds made in this bill for the next fiscal year will require a sharp decrease in personnel—man-years—below both the 1968 level of operation and the level proposed in the 1969 budget. The bill as reported provides an estimated 65,543 man-years of employment for fiscal year 1969 for the Department of Agriculture, exclusive of the Forest Service. This is 933 man-years less than estimated for fiscal year 1969.

Two major personnel increases proposed in this bill for next year account for the indicated man-year increase of 652 over 1968. An increase of 1,062 man-

years is provided for the greatly expanded meat and poultry inspection duties assigned to the Department under the Wholesome Meat Act adopted last year. An additional 616 man-years is provided for the large increase provided for the food stamp program in the coming year.

A total reduction of 1,026 man-years under the 1968 level will be required in the other programs of the Department during the next fiscal year. This is due almost entirely to the fact that the amounts recommended for other appropriations do not provide the additional funds needed to cover annualization of Pay Act costs for an additional 3 months in fiscal year 1969.

AGRICULTURE—KEY TO OUR PROSPERITY

American agriculture is the most productive in the history of the world. The increasing efficiency of our agricultural producers continues to contribute to the high standard of living in this country.

When this country was young, 90 percent of the people lived on the farm. Most of them had to produce their own food and fiber with the plow and the hoe. Today, only six of every 100 American workers are engaged in agriculture. The 94 others provide the goods and services of modern living—manufacturing cars, TV sets, and washing machines, running banks, selling insurance, building homes, fixing telephones, working in hospitals and hotels, and rendering other services, including our national defense and international responsibilities.

Thirty years ago, one person on the farm supplied the food and fiber for 10 others. By 1960, this had increased to one person on the farm for 26 others. Today, one farm producer feeds and clothes about 40 persons.

On the world's most efficient farms, output per man-hour has been increasing some 6 percent per year—more than twice the rate in industry. If farmers today used 1940 methods of producing crops, it would cost an extra \$15 billion a year to produce food and fiber for the Nation. This extra cost would be passed on to consumers, adding more than \$6 a week to each family's food bill.

It now takes so few of us to produce the food, clothing, and shelter for the rest of us, that the rest of us can provide the highest standard of living ever known for all of us.

One unfortunate consequence of this development, however, is that the voice of American agriculture has grown weaker in the legislatures and other forums of the Nation. Today, only 47 of the 435 districts represented in the U.S. Congress have as many as 20 percent of their people on farms. The majority of the Members of Congress, therefore, represent constituencies with little or no understanding of the problems of agriculture and only a vague realization of the importance of this segment of our economy to the general welfare of the entire Nation.

FARM INCOME, INVESTMENT, AND RISK

To maintain this high standard of living, with little or no increase in farm income, and with higher and higher costs for what the farmer must buy, increased

agricultural productivity has been an absolute necessity. This has come at the cost of much greater investment per farm and a tremendous increase in risk.

The increased use of machinery and equipment has made it necessary to expand the size of farming units, at a high cost to the producer. The small family-size farm is gradually disappearing, largely because it cannot support high-cost machinery, supplies, and labor. The number of farm units has decreased from 6.4 million in 1940 to less than half this number in 1967. The American consumer today is almost entirely dependent on the commercial farm for his abundant supply of inexpensive food and fiber.

Efforts to limit payments to larger farmers would have the ultimate effect of breaking up larger farms into smaller, uneconomical units such as now exist in many of the food-deficient countries of the world. This would be about as unsound, so far as feeding this Nation is concerned, as to require the building of automobiles by hand or to restrict the number of employees of a commercial organization to a certain level by limiting salary levels, including costs created by minimum-wage contracts.

The average investment necessary to farm has increased by over 1,000 percent in the past 27 years, from 6,158 in 1940 to \$42,465 in 1960, \$67,259 in 1966, and \$73,120 in 1967. As a result net return on the farmer's investment has decreased through the years, from 8 percent in 1957 to a low point of about 6 percent today.

This decreasing return on farm investment has steadily increased the farmer's risk through the years. Half a century ago a farm could survive as many as seven crop failures in a row. With the tremendous financial risks involved today, the loss of a single year's crop could result in bankruptcy for many farmers with large investments.

While farm assets have increased from \$185.8 billion in 1957 to \$281.2 billion in 1967, farm debt has increased even faster—from \$20.4 billion in 1957 to \$49.9 billion in 1967. Farm debt as a percentage of assets has increased from 11 percent in 1957 to 17.7 percent in 1967. Interest payments as a percentage of gross farm income have increased from 2.9 percent in 1957 to 5.6 percent in 1967.

Despite increased gross income, the levels of net farm income lag far behind those of nonfarm families. Even though he supplies the basic necessities for his city cousins, per capita income of the farmer is only 66 percent of nonfarm income. Disposable personal income of our nonfarm population in 1966 was over \$2,618 per capita. For the same period, income for farm families was only \$1,731.

TIGHT CREDIT SITUATION

One of the serious problems facing the farmer today is the tight credit situation and the rising interest costs. Demands for all types of credit, both public and private, are far in excess of funds available.

During our hearings on the 1969 budget, the assistant to the Governor of the Farm Credit Administration gave the following report on the growing credit needs of American agriculture:

Amounts of credit used by farmers have increased steadily during the last decade. Increases in credit needs have resulted in part from the rise in land prices and from higher costs paid for hired labor, materials, and equipment. As agriculture becomes more commercialized, credit is used increasingly by farmers to acquire control of the large quantities of resources necessary for success in modern farming. To achieve efficiency and to earn adequate incomes, commercial farmers have expanded their operations. The average farm now has 370 acres as compared with 300 acres in 1960 and 210 acres in 1950. Most of the farm output, moreover, comes from about 1 million commercial farms that account for 85 percent of the production. To continue to operate efficiently, these farmers need to use large amounts of capital and credit.

Farmers' needs for credit increased during 1967 and the volume of credit used by agriculture moved up to a new record. Availability of credit to agriculture, however, continued to be restricted by high interest rates and tight money conditions which came into being during 1966 and continued through 1967. As a result of restrictions on the availability of credit, many farmers were not able to obtain all of the loan funds they needed. The rate of increase in the amount of credit used by agriculture was smaller than in other recent years.

For the lending programs of the farm credit system, the assistant to the Governor gave the following summary:

On June 30, 1967, the Farm Credit banks and associations held a net total of \$10.4 billion in outstanding loans to agriculture as compared with \$9.1 billion a year earlier. The Federal land banks held \$5.3 billion of farm mortgage loans. On the same date the production credit associations held \$3.6 billion of short and intermediate-term loans to farmers. The banks for cooperatives had \$1.3 billion in loans outstanding to farmers supply, service, and marketing cooperatives.

LOANS OUTSTANDING TO AGRICULTURE HELD BY THE FARM CREDIT BANKS AND ASSOCIATIONS

[In millions of dollars]

Lending banks and associations	As of June 30			
	1955	1960	1966	1967
Federal land banks.....	1,408	2,487	4,725	5,304
Production credit associations..	804	1,670	3,146	3,651
Banks for cooperatives.....	317	551	1,105	1,296
Federal intermediate credit banks.....	855	1,698	3,066	3,544
Total.....	3,384	6,406	12,042	13,795
Deduct: FICB credit to other farm credit banks and associations.....	779	1,594	2,897	3,359
Net total loans.....	2,605	4,812	9,145	10,436

Demands for loans from the Farmers Home Administration have far exceeded the funds available for the various purposes. As of July 1, 1967, a total of \$64 million was available for emergency loans. This amount was exhausted early in February 1968. The reserve balance of \$22 million in the emergency credit revolving fund was released by the Bureau of the Budget shortly thereafter. This additional loan authority was gone within a few weeks. Loan dockets for 1,407 loans totaling \$7.5 million were unprocessed as of early April 1968, and estimates are that applications for another \$22 million of emergency loan credit will be received during the balance of this fiscal year.

The situation is much the same for

operating loans. According to testimony from USDA officials, as of early March 1968, an estimated \$81 million of unpaid operating loans of a hardship character were on hand. In addition, the heavy credit needs of the spring planting season are still ahead. Despite this situation, the executive branch continues to freeze \$25 million of operating loan funds provided by Congress for fiscal year 1968.

In discussing the availability of private credit for agricultural purposes, the Administrator of Farmers Home Administration stated:

The American Bankers Association released a report, I believe it was they who released a report, just the other day, showing that the number of so-called agricultural banks who had reached the position of the ratio of loans to deposits of 26 percent, which is normally considered a loaned up position, had increased from 26 percent to 47 percent last year.

Actually, some of those banks had ratios up to 70 percent which is considered a rather hazardous position for country banks.

There are many areas in which the normal conventional sources of credit are not available regardless of the security the applicant has to offer.

BOUNTIFUL SUPPLIES OF INEXPENSIVE FOOD

Despite these and other difficulties, American agriculture continues to make a major contribution to the national welfare through the production of bountiful supplies of high-quality and low-cost foods for the Nation's consumers. Food is one of today's best bargains.

This is apparent at the supermarkets, where city consumers can choose from thousands of safe, wholesome, and delicious foods—products of the farms of our 50 States. Using less than 18 percent of their income, American consumers can select foods with a knowledge of nutrition and balanced diets that makes this a nation of healthy and well-fed people. Many people in the world spend half or more of their available income on food. In underdeveloped areas people spend most of their time grubbing a living from the earth.

In 1929, 23.4 percent of consumer income in the United States went for food. This decreased to 22.2 percent in 1950, 20 percent in 1960, and 17.7 percent last year. This steady decrease has occurred despite the increasing portion of food costs which go for marketing and related services. If the 1960 level of 20 percent had continued through 1967, U.S. consumers would have had \$11 billion less to spend for the products of industry and labor.

This contribution to the national economy has come at the expense of the American farmer, however. Since 1951 the farmer's share of the retail food dollar has declined from 49 to 38 cents in 1967. As a matter of fact, if farm producers were to receive nothing for their raw materials, retail prices would probably not decline significantly. It should be noted that in 1967 the farmer received only 3.4 cents from a 22.2-cent loaf of bread, less than 11 percent of the retail price. The farmer's share of a \$4.38 cotton shirt in 1967 was only 22 cents, about 5 percent of the retail cost.

Recently, Dr. Walter W. Wilcox, Director, Agricultural Economics, USDA, described the situation as follows:

The figure that I think is remarkable is that of the consumer's disposable income; only 5 cents out of the dollar goes to the farmer for the food products produced on the American farms.

LABOR AND INDUSTRY'S BEST MARKET

The economic welfare of the Nation's economy is dependent on the economic strength of each segment thereof. Time has proved that labor and industry can be prosperous only to the extent that the agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of the economy.

Agriculture is our largest industry. Its assets exceed those of any of the next 10 largest industries. It employs more workers than any other major industry. It employs seven times the number of people in the mining industry, 23 times the number in the oil and coal industry, and five times the number in the automobile industry. In addition, it supports directly another 10 percent of our non-farm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is one of the major markets for the products of labor and industry. It spends more for equipment than any of the other large industries. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry and is five times that of the automobile industry.

Since 1951, despite Government farm programs, industry and labor's take of the consumer's food dollar has increased from 51 to 62 cents. This increase of 21.5 percent by industry and labor has been passed on to the consumer as part of the retail price. At the same time, corporate profits after taxes have increased from \$19.6 billion in 1952 to \$28.5 billion in 1959, and \$49.3 billion in 1966. That, too, is passed on as a part of the retail price to the consumer, which accounts for the increasing cost of food and food products to consumers, despite the farmer's declining share of the retail price.

GOVERNMENT COSTS OF VARIOUS LAWS

It will be recalled that over half of the funds expended by the Department have direct benefits to nonfarm people. An analysis included on page 395 of part I of this year's hearings shows that only \$2.2 billion of a total of \$5.8 billion in 1967 was expended on programs with benefits primarily for the farmer.

An analysis prepared by the committee last year shows that the payments to agriculture for price-support programs are relatively small when compared to mineral depletion allowances, business reconversion payments, and sums paid out of the Federal Treasury to other segments of our economy. The table which

was included in last year's report is of interest here:

Program	Millions
1. Losses under price-support program:	
Basics	\$16,690
Nonbasics	6,804
Total	¹ 23,495
2. Federal programs for—	
Mail subsidies.....	² 11,479
Subsidies to maritime organizations	³ 6,251
Subsidies to airlines.....	⁴ 1,322
Business reconversion payments (including tax amortization) ..	⁵ 47,698
Mineral depletion allowances..	⁶ 60,897
3. Federal investment in—	
Food and fiber (CCC inventories)	⁷ 3,113
National stockpile of material..	6,877
4. Payments to Labor under various laws	(*)

* The extra pay which goes to labor as a result of laws providing for minimum wages and the right of bargain and is reflected in increased retail prices is not identifiable and the Committee has been unable to obtain any firm estimate as to such amount.

¹ From beginning of program to 1966.

² 1946 to 1965 subsidies to 2d-, 3d-, and 4th-class mail.

³ 1938 to 1967 construction and operating subsidies

⁴ 1938 to 1967.

⁵ Status as of 1962.

⁶ Since 1925.

⁷ As of June 30, 1966.

In reviewing these figures, it should be noted that the amounts shown for agriculture do not include Federal assistance to nonfarm consumers through such programs as the special milk, school lunch, food stamp, and other food distribution programs. Nor do they include funds for meat and poultry inspection and other food inspection programs which, in reality, also represent consumer benefits. For fiscal year 1968 the funds for these programs totaled \$936.5 million.

CHIEF EARNER OF DOLLAR EXCHANGE

One of the important contributions of American agriculture to the national economy is its contribution to our balance of payments abroad.

Total agricultural exports increased from \$4.5 billion in 1960 to \$6.8 billion in 1967. Exports for dollars rose from \$3.2 billion to \$5.4 billion during this period. During the calendar year 1967, agricultural exports for dollars exceeded agricultural imports by \$585 million. This more than offset the trade deficit for commercial trade of \$400 million in 1967.

From 1961 through 1967, agricultural exports contributed over \$32 billion to our balance of payments. Even though only 22 percent of total exports are agricultural commodities, they account for over 50 percent of our favorable trade balance.

According to the present Secretary of the Treasury, were it not for increasing U.S. agricultural export sales, our balance-of-payments deficit would be much greater than it is.

The efficiency and productivity of U.S. agriculture has made this country the world's largest exporter of food to the many nations of the world. In recent years the export of U.S. agricultural commodities has increased to the point where

production from one out of each four acres is sold abroad. In addition to supplying much needed foreign exchange, this has contributed to the domestic economy by providing about 1 million jobs in fields related to agriculture—storage, shipping, export, et cetera.

PRODUCTION AND EXPORT POLICIES

In this connection, it is essential that we adopt and follow sound national policies which will enable American agriculture to continue to make its important contributions at home and abroad. Such policies must provide for the production of adequate supplies of agricultural products and the encouragement of sales of these commodities in world markets on a competitive basis.

The charter of the Commodity Credit Corporation provides, and always has provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For the past 15 years or more, this committee has done everything possible to encourage and require exportation and has continued to insist that such commodities be offered continuously in world markets on a competitive basis. During those years when U.S. commodities were kept competitive, export sales increased substantially.

For cotton, for example, the basic law—section 302 of the Agricultural Act of 1956 (7 U.S.C. 1853)—requires the Secretary of Agriculture to determine and announce our "fair historical share" of world markets and to sell competitively so as to meet this share of the market each year. However, despite this congressional action, the Department has failed in nearly every year since 1956 to attain the level of export sales determined to be our fair historical share. Figures included on page 391 of part I of our 1969 hearings show the situation:

Marketing year beginning Aug. 1	Initially determined fair share	Actual exports	Deficit or excess
1957-58.....		(1)	-----
1958-59.....		(1)	-----
1959-60.....		(1)	-----
1960-61.....	6.5	6.6	+0.1
1961-62.....	25.5	4.9	-6
1962-63.....	5.0	3.4	-1.6
1963-64.....	45.0	5.7	-7
1964-65.....	5.0	4.1	-9
1965-66.....	5.0	2.9	-2.1
1966-67.....	5.5	4.7	-8

¹ Not available.

² Reduced to 5,000,000 later in season.

³ Reduced to 3,500,000 later in season.

⁴ Increased to 5,700,000 later in season.

Information developed by the committee indicates that we will lose many millions of dollars of valuable foreign exchange during the 3 marketing years 1966-67 through 1968-69, unless we attain the export goals for cotton announced on March 9, 1966. This information shows that announced goals of 6 million bales per year would produce an estimated export income of \$1,573.5 million, whereas actual exports of 4.7 million bales in 1966-67, and estimated exports of 3.8 million in 1967-68 and 4 million in 1968-69, will earn approximately \$1,009.7 million. This will fall \$563.8 million short of full potential export earnings.

At present, one of the major reasons for declining cotton exports is the depleted stocks of good quality cotton in the warehouses of the United States. While this is due partially to poor crop conditions, one of the primary reasons is the faulty policy of unduly restricting the production of cotton in the past few years. This has not only reduced current income to agriculture and other segments of the economy of the United States, but it has also resulted in long-range damage by encouraging foreign countries to expand their cotton production potential.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the actual effect on the Nation's economy of such production restrictions. Preliminary data indicate that the 1967 crop of cotton was about 7.4 million bales, down 2 million bales from the 1966 crop and the smallest since 1895. At a rough value of the equivalent of \$150 per bale to the farmer, this could mean a loss in 1 year of \$300 million of income to the cotton producers of the Nation. The loss of this purchasing power affects not only those who depend directly on farming for a livelihood, but also those engaged in related businesses such as storage, transportation, banking, merchandising, industrial production, and similar activities; particularly in the smaller communities. On the basis that each dollar of agricultural production creates \$7 of activity throughout the economy, this represents a total loss of around \$2 billion to the Nation.

Some years ago, an effort was made to evaluate the effect on the national economy of the faulty policy of holding commodities off world markets, with resulting acreage reductions.

In June 1956, the Under Secretary of Agriculture stated:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production.

Further evidence of our national loss, due to the then existing policies of not producing and selling these farm commodities, is found in a statement released by CARE in 1956, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp; H. J. Heinz; and others equally successful; such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

While more recent data on this point is not available, these statements give some indication of the potential loss to the Nation—even today—from policies which reduce production by encouraging farmers not to farm, and which curtail exports through failure to remain competitive in world markets.

They clearly demonstrate the need to establish and vigorously pursue policies which permit American agriculture to produce what is needed at home and abroad, and which let consumers throughout the world know that we have commodities available for export at competitive prices.

Such policies not only support a healthy agricultural economy in the United States, but help to strengthen the financial position of this country, both in domestic and international markets. Further, they enable this country to be a constant and dependable supplier of food and fiber to the needy populations of the world, both for economic and humanitarian reasons.

Holding agricultural production down to a point of scarcity could be very dangerous to the national interest. Drought, pestilence, or a major international emergency could cause many people in this country and throughout the world to go hungry, even though it might bring higher prices to the producer. Also, such a policy would tend to encourage foreign countries to further increase their output, as has been so clearly demonstrated by past reports of expanded foreign production to offset U.S. reductions.

It is to be noted that, unless production levels are maintained, additional farm units will of necessity go out of production, with increased unemployment problems in the cities as more rural people move to town. How to keep adequate reserves to meet all domestic and export needs, plus a reserve for possible defense needs, without depressing market prices is one of the problems facing the country today. It is the belief of many members of this committee that such reserves should be insulated from the market and charged up to consumer security.

CHIEF BULWARK AGAINST WORLD HUNGER

This country, in addition to providing the most abundant supply of wholesome and delicious food at the lowest cost ever known to the people of the United States, has fed substantial numbers of hungry people throughout the world. These facts have been one of our greatest strengths in meeting domestic needs and in dealing with world problems.

Aside from the possibility of nuclear conflict, probably the foremost problem of the world today is hunger. Approximately half of the world's 3 billion people suffer from malnutrition. In recent weeks reports have been published that malnutrition exists to a great extent in the United States, much of which, apparently, does not come from lack of available foods. The World Food Congress was told a few years ago that around 10,000 persons die every day from starvation.

India has had a continuous food crisis through the years. That vast subconti-

ment has a year-round hunger problem; so do many other areas in the world. The present outlook is that hunger will grow more and more intense with the passage of time, unless higher yielding strains can provide more adequate food production. The world's population increase is almost unbelievable. Each year, births exceed deaths by almost 60 million.

This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years—1830 to 1930—to reach 2 billion, and only 30 more years—1930 to 1960—to reach 3 billion. Short of a major catastrophe, it is expected to exceed 6 billion people by the turn of the century. The population growth in the United States has kept pace with this worldwide population explosion, increasing from 13 million in 1830 to 123 million in 1930, 179 million in 1960, and in excess of 200 million today. It is expected to exceed 300 million by the year 2000.

The failure of Communist agriculture, a failure which is chronic and deep-seated, has tremendous implications to the hundreds of millions constantly plagued by hunger. The Communist inability to produce efficiently and abundantly is due in large part to a lack of adequate and well-directed research, resource conservation, and related agricultural programs, under a system which has tied the hands of Soviet agricultural producers.

PUBLIC LAW 480 PROGRAM

Since the inception of the Public Law 480 program in July 1954, and through December 1967, commodities valued at nearly \$11 billion have been shipped to some 50 different countries under title I foreign currency sales. In addition, some \$748 million of commodities have been shipped to 21 foreign countries under the title I long-term credit sales program.

Since 1954, title II food donations have totaled \$907 million. It is estimated that more than 20 million people in foreign lands have received these gifts of food from the United States. In addition, large quantities of food have been given to needy persons abroad through such nonprofit voluntary relief agencies as CARE, Catholic Relief Service, Church World Service, UNICEF, Lutheran World Relief, and similar organizations. These agencies have distributed commodities worth over \$2.1 billion to over 67 million people in the various food-deficient areas of the world during the past 14 years.

Under today's conditions, however, with a desperate need for additional foreign exchange from sales for dollars, and with increasing financial pressures here at home, expenditures under the Public Law 480 program can no longer be justified at previous levels. This is particularly true when such expenditures are proposed for the coming year at the expense of programs needed to preserve our own resources.

Accordingly, the committee has reduced the Public Law 480 appropriations in the bill to approximately one-third of

the 1969 budget request. Even with this cut, the program will have a total of nearly \$1.2 billion available next year, including an expected carryover of \$530,257,000, receipts from sales of foreign currencies of an estimated \$342,600,000, and \$300 million of new money in this bill.

It is the belief of the committee that, with the present supply situation, this action should not seriously affect 1969 operations. However, there are a number of factors of which the committee takes note: First, these commodities are made available to the governments without dollar payments in exchange. They are then usually sold to the people of such country as any other commodity; second, by agreement our country has control over the use of the foreign currencies in the recipient country, which involves us to a great degree in the internal affairs of such country; third, the matter of dollar balances and foreign exchange has somewhat reversed itself—now it is our Nation which has the problems with an unbalanced budget and lack of foreign exchange; fourth, 480 sales do nothing to earn dollars—one of our greatest needs—and practically nothing to create markets; fifth, sales through normal channels at competitive prices would tend to build up a consistent market which 480 sales do not. Friendship between nations and peoples usually follow mutually beneficial trade. Present world conditions seem to prove that seldom do lasting friendships follow where one is the giver, the other the recipient, particularly where the giver requires as a condition commitments as to the internal affairs of the recipient nation.

This committee believes that we have reached the point in our international affairs where our primary attention must be given to the support of efforts of the food-deficient countries to develop their own agricultural resources so as to be able to carry a larger share of the responsibility for feeding their own people. This situation was well stated recently by an official of the Indian Government at a symposium on world food problems when he said: "In India, Public Law 480 has dulled our zest for food production."

AGRICULTURE—PROTECTOR OF OUR HEALTH

American agriculture has made and is making many contributions to the health and well-being of people in this and other countries of the world.

American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Further, such food is the most wholesome and healthful in the world. People in most other countries not only spend more of their income for food than we do—in most cases, they get much less for their money in calories and nutritional balance. Millions of people in other countries cannot afford all the animal proteins that our diet includes. And we enjoy fresh vegetables and fruits the year round.

To fully appreciate the value of this contribution to consumer diets and public health, one need only look at condi-

tions in certain other parts of the world. For example, in the Middle East, it is common to find insect larvae in the fresh fruit placed on tables in the best hotels. The average consumer in America wouldn't consider buying rusty, scrubby, pitted fruit offered in the public markets of that area.

In Pakistan, severe locust, caterpillar and cricket infestations have ruined and contaminated crops, with disease and starvation the ultimate result. It is virtually impossible to protect supplies of grain in storage in India from ravage and adulteration by weevils, bran beetles, and the world's worst pest of stored grain—the khapra beetle, which is now a threat in the United States.

Stored-grain pests are so bad in tropical areas of the world that the race to eat the grain before insects devour it results in frequent periods of starvation. The people compete with the pests for survival. Their low standard of living thus becomes understandable.

The distribution of cattle in Africa is determined primarily by the presence or absence of the tsetse fly. This is a major reason why an African child, once weaned, may never again taste milk. The cattle tick and the human warble or torsalo fly cause tremendous losses to hides, beef, and milk production in Central and South America. Mortality among calves may be as high as 70 percent in some of the most heavily infested areas.

The following programs of the Department of Agriculture relate in varying degrees to the protection of human health in the United States:

Meat and poultry inspection for wholesomeness.

Nutrition research.

Research and control activities to protect foods against excessive pesticides residue.

Research on salmonella, aflatoxins, and other harmful bacteria.

Research and information on food preparation to protect human health, such as prevention of trichinosis.

Research and control or eradication activities on animal diseases which are transmissible to man—tuberculosis, brucellosis, tapeworms, and so forth.

Research on storage of food products to maintain wholesomeness, as well as quality.

Monitoring of soil and water to determine whether there has been contamination which could be harmful to persons eating food crops or meat or milk from animals affected.

Health related research on tobacco.

Special milk program.

School lunch program.

School breakfast program.

Food stamp program.

Commodity distribution program.

Pure water loans and grants.

Sewer systems loans and grants.

RESEARCH CONTRIBUTIONS

Agricultural research has made numerous contributions to human health. Its impact extends far beyond our farms to people in all walks of life. The work that entomologists did on chemical compounds led to many advances, including

an international effort to control mosquitoes and eliminate malaria. When Department entomologists developed the aerosol bomb, they had in mind protecting GI's from insects. Today, the aerosol is used to dispense some 270 products to serve and protect people in many ways.

Agricultural research scientists developed commercial methods of making penicillin. They also produced dextran, a blood plasma substitute, a starch sponge for medical and surgical use, and discoumeral, a blood thinner of great medical significance.

Research has helped us not only to produce and market our abundant supply of food but also to make better use of it in protecting our health. Nutritionists have learned much about the kinds and amounts of food necessary for optimum growth and health. Through its research in the field of human nutrition, the Department of Agriculture is developing very significant information on the health aspects of fats in our diets, fat metabolism, and cholesterol in the blood. These studies benefit millions of people daily all over the world.

Animal scientists have improved the quality and efficiency of our livestock and poultry and veterinarians have protected their health, and in turn human health. Entomologists have developed new approaches to pest control. Increased research attention is being given to contamination of food products by salmonella and other food poisoning bacteria.

According to U.S. Department of Agriculture experts, we presently face 10,000 destructive insect species in the United States. And there are approximately 50,000 diseases of economic importance to man's food supply. Also, the possibility of invasion by unfamiliar pests and diseases from abroad is greater today than ever before with the acceleration in international travel as well as the more rapid transportation of animals and freight. Furthermore, increasing concentrations of livestock and crops intensify the danger that invaders will spread quickly—almost explosively, if not properly controlled.

DISEASE AND PEST CONTROL

Nationwide disease control and eradication programs for agriculture are conducted in cooperation with State and local agencies. Laws and regulations are administered to prevent the spread of diseases through interstate shipments of livestock, poultry, and other products.

Through a system of port inspection and quarantines, activities are conducted to prevent the introduction into this country of insect pests and animal diseases of foreign origin. Determinations are made regarding the freedom from diseases of animals, poultry, animal products, food products, and related materials presented for importation from foreign countries.

In this connection, the committee notices the recent change of policy announced on a trial basis for handling the inspection of incoming passengers from abroad. While this proposal may be desirable to attract more visitors, any lessening of vigilance at our borders could be very costly to the health and food

supply of this Nation. Only highly trained and well qualified inspectors can be effective representatives of the Department of Agriculture and all the other agencies involved.

Intensive campaigns are being carried on through the Nation to control and eventually eradicate brucellosis, bovine tuberculosis, and other diseases of animals which are also a threat to human health. Such efforts are gradually reducing the extent of the infection. In the case of brucellosis, for example, 82 percent of the Nation has now achieved a modified disease-free status.

FOOD DISTRIBUTION PROGRAMS

The special milk, school lunch, food stamp, and other food distribution programs of the Department of Agriculture play a significant part in the health and welfare of the Nation's consumers of all ages.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. All nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible. In 1967, milk consumed under the program, based on the 3,027.2 million half pints reimbursed, was more than six times the quantity in 1955—the first year of the program. The volume amounted to more than 2½ percent of the total nonfarm consumption of fluid milk. This was in addition to milk served through the regular school lunch program lunches.

The school lunch program improves the health and well-being of the Nation's children by providing them a well-balanced nutritious lunch at school which helps to supply the kind and amount of foods children need, and by developing proper and nutritionally beneficial food habits which will continue in later life. Experience indicates that children who get lunch under this program, compared with those who do not, show more rapid gain in weight and height, better attendance records, improvement in scholastic standing, better behavior, and higher resistance to colds and other illnesses. The school lunch program furnished over 3.1 billion complete lunches to over 36 percent of the Nation's 50,502,016 schoolchildren in the fiscal year 1967.

The food stamp program helps to improve the diets of low-income families by issuing food coupons of higher monetary value than the cash paid by the recipients. The cash requirement—representing the family's normal food expenditure—and the bonus supplement are both based on family size and income. The coupons may be used to purchase wholesome and domestically produced food items at any approved retail outlet. At the beginning of fiscal year 1967, 1.2 million participants in 324 areas—counties, cities, or welfare districts—in 40 States and the District of Columbia were receiving the benefits of the food stamp program. During the year, the program was progressively expanded to reach a total of 1.8 million persons in 838 areas in 41 States and the District of Columbia.

Under the direct distribution program,

over 705 million pounds of commodities were donated to needy families in some 1,369 areas—counties, cities, and Indian agencies—in 1967. In addition, over 21.4 million children in schools, another 1.4 million attending nonprofit summer camps for children, and an additional 1.3 million needy persons in eligible institutions, received donated foods worth \$145.6 million in fiscal year 1967. Also, over 116,000 pounds of donated foods were consumed by 16,955 needy persons affected by 11 different disasters.

INSPECTION OF FOOD AND FOOD PRODUCTS

Additional programs which are conducted to protect the health of the Nation's consumers are those which provide for licensed inspection of various agricultural products for quality, wholesomeness, and freedom from disease and other contamination. These activities include inspection of meat, poultry, and products prepared therefrom. They also include the inspection of dairy products, fresh and processed fruits and vegetables, grain, and certain other products.

Meat inspection is performed to assure that all meat and meat products produced in plants shipping in interstate and foreign commerce are wholesome, and that foreign establishments producing meat products for export to the United States meet Federal standards for sanitation and wholesomeness of product. In 1967, inspection was performed in 1,973 establishments, located in 820 cities and towns. A total of 112.9 million animals were inspected prior to slaughter and a similar number of carcasses were inspected on the slaughtering floors. Supervision and inspection were also supplied for the processing of over 20 billion pounds of meat products. The enactment of the Wholesome Meat Act during the last session of Congress placed a large additional responsibility on the Department for the inspection standards of intrastate meat plants.

Poultry inspection is designed to assure that all poultry and poultry products produced in plants shipping in interstate and foreign commerce are wholesome. In 1967, some 10.9 million pounds of chickens and turkeys were inspected, involving over 2.6 million birds. This inspection was provided on 1,482 processing lines in 905 poultry slaughtering plants.

The other inspection, grading, classing, and standardization services are conducted to develop standards of quality and condition for agricultural commodities and to use them in providing an impartial inspection, classing and grading service; and to participate in the development of international food standards.

AGRICULTURE—CARETAKER OF OUR FUTURE

Since three-fourths of our land area is in private ownership and 60 percent is in farms and ranches, our farmers and ranchers are the principal managers of the Nation's soil and water resources for all the people. How our farmers and ranchers manage the lands under their stewardship for the benefit of all of us determines whether we shall have soil conservation or soil erosion, whether we shall have the right quality and quantity of water, or poor water and not enough of it, not only for agriculture but for the cities and industry.

If this Nation is to survive and prosper, we must continue to provide adequate financial support for our conservation programs designed to assist these custodians of our natural resources to reforest our lands, protect our watersheds, harness our streams for electricity, reclaim our lands through soil conservation, develop our sources of water, and carry on those things which build up the potential economic strength of this Nation.

If we leave to future generations a fertile land, with timber restored, with soil erosion stopped, and with water resources developed, this country will be able to meet its future domestic problems, international threats, and financial needs. If we neglect these basic responsibilities, we will leave future generations nothing to look forward to or to build on. Money alone is of no value. It must be supported by a sound economy based on natural resources to generate new wealth for future generations.

As individuals, we all can live like kings and queens for a short time if we cash in all our insurance, use all our savings, mortgage our homes, and sell our other assets. As a nation, we can do the same if we are willing to "cash in" on our land, leaving to our children what is left—like previous generations have done in India, China, and the rest of the world we help to feed and clothe today.

We may draw against our silver reserves by substituting copper in our coins. Or we may sell mortgages held by the Federal Government. But if we overdraw on our soil and deplete our forests, every future generation from now on will suffer from the lack of responsible custodianship of the resources placed in the care of the present generation.

MAN'S WASTE OF HIS NATURAL RESOURCES

Perhaps the greatest single fault of mankind through the annals of recorded history has been his failure to preserve and protect the natural resources which provided him with his basic necessities of life—food, clothing, and shelter. History indicates that each civilization developed by mankind through the course of the centuries, regardless of the degree of sophistication and advancement attained, has disappeared from the earth because of man's abuse of the soil, water, forests, and other basic resources passed on to him for his use and custodianship.

One of the most serious questions facing our highly developed civilization of the 20th century is whether or not, through more intelligent use of our natural resources, and through more advanced agricultural technology, we can meet the ever-increasing demands of rapidly expanding populations for food clothing, and shelter.

A review of the earlier civilizations of the wornout and food-deficient areas of the world indicates what has resulted from the failure of man through the ages to apply an adequate portion of his wealth to the protection of the soil, the forests, the rivers and lakes, and other resources as he used them to feed and clothe himself.

For example, in 3500 B.C. the valleys of the Tigris and Euphrates Rivers sup-

ported a large and prosperous civilization. By the year 2000 B.C., great irrigation developments had turned this part of the Middle East into the granary of the great Babylonian Empire. Today, however, less than 20 percent of this area is cultivated because, as they became urbanized, the people of that civilization failed to continue to preserve the productive capacity of the land. According to LaMont C. Cole of Cornell University:

The landscape is dotted with mounds, the remains of forgotten towns; the ancient irrigation works are filled with silt, the end product of soil erosion; and the ancient seaport of Ur is now 150 miles from the sea, its buildings buried under as much as 35-feet of silt.

Extensive irrigation systems were established in the Valley of the Nile before 2000 B.C. to create a granary for the Roman Empire. This land, which was made fertile by the annual overflowing of the Nile, continued to be productive for many centuries. However, in recent years, as the result of more intensive use of the land and inadequate attention to conservation measures, the soils have deteriorated and salinization has decreased the productivity in the valley to the point where this area is now largely dependent on food shipments from other parts of the world to feed its people.

Ancient Greece had forested hills, ample water supplies, and productive soil. In parts of this area today, the old erosion-proof Roman roads stand several feet above a barren desert. Ancient irrigation systems in many parts of China and India are abandoned today and filled with silt. Most of India's present land problems are due to excessive deforestation, erosion and siltation made necessary by tremendous population growth during the past two centuries.

The highly developed civilizations of ancient Guatemala and Yucatan are merely history today. Archeologists believe that they exploited their land as intensively as possible until its fertility was gone and their prosperous civilizations vanished.

The city-states throughout history have failed to realize that the cost of food, clothing, and shelter is going to be paid, either by the consumer or by the land from which it comes. They have ignored the fact that soil cannot be cultivated year after year unless as much fertility is put back each year as is taken out.

WASTE OF MATERIAL RESOURCES IN THE UNITED STATES

The United States is still a young country in relation to the ancient civilizations referred to above. During our short history, however, we have used up and destroyed vast amounts of the plentiful supply of natural resources which were here when the Pilgrims landed at Plymouth Rock. The continuation of such abuse could eventually reduce this country to a barren wasteland with the low standard of living found in much of Asia and the Middle East.

This country had 8,000 billion board feet of timber about 150 years ago. Today we have around 1,600 billion board feet left—only 20 percent of the original stand. This terrible waste of timber resources points up the extent to which our highly competitive economy can deplete

a national asset in the generation of new wealth. It points up the need for continuing and expanding conservation efforts on a national basis.

Only 175 years ago we had 500 million acres of fertile soil in this Nation. We have already wasted 200 million acres—40 percent—and another 100 million acres—20 percent—is washing away today. It has been estimated that an average of 40 acres of top soil flows down the Mississippi River each day of the year. Also, estimates are that more than 1 million acres of arable land are lost to residential areas, highways, and other urban developments each year.

We in the United States have depleted our forests, our soil fertility, and our sources of water and other natural resources to support large public expenditures both at home and abroad. The pressures of the population explosion here in this country and elsewhere in the world have put a heavy strain on U.S. productive capacity. The tremendous costs of national defense at home and military assistance in other parts of the world have been financed at the expense of our basic resources.

WE AID FOREIGN COUNTRIES

In addition, we have expended billions of dollars since World War II in assisting other countries throughout the world to rebuild their natural resources through soil and water conservation programs, flood control and power projects, irrigation, reclamation, and other conservation practices. At the same time, we have done less conservation work in this country than is actually needed and can be fully justified.

Information received from the Agency for International Development—AID—indicates that between \$50 and \$60 million has been spent in foreign countries in recent years for foreign assistance programs in conservation and development of natural resources, including watershed management, land and water resources inventories, and soil and water conservation. In addition, data previously carried in hearings of the Public Works Subcommittee of the House Committee on Appropriations show that in excess of \$2 billion have been spent by AID and predecessor agencies since 1954 for projects identifiable with irrigation, reclamation—including flood control—and power development, as follows:

(Millions of dollars)

Region	Total	Development loans	Other
Total, all projects.....	\$2,005.0	\$1,523.9	\$481.1
Near East and South Asia.....	1,171.4	980.4	191.0
Latin America.....	197.3	182.9	14.4
Far East.....	421.6	198.4	223.2
Africa.....	157.2	122.5	34.7
Europe.....	57.6	39.8	17.8
AID, fiscal years 1962-66.....	948.4	888.7	59.7
Near East and South Asia.....	607.4	573.1	34.3
Latin America.....	175.6	173.4	2.2
Far East.....	103.0	92.6	10.4
Africa.....	62.4	49.6	12.8
Predecessor agencies.....	1,056.6	635.2	421.4
Near East and South Asia.....	564.0	407.3	156.7
Latin America.....	21.7	9.5	12.2
Far East.....	318.6	105.8	212.8
Africa.....	94.8	72.9	21.9
Europe.....	57.5	39.8	17.7

SOIL AND WATER CONSERVATION

Remarkable progress has been made in soil and water conservation in the United States in the last 25 years. As of June 30, 1967, there were 2,121,248 district co-operators engaged in Soil Conservation Service planning and installation programs. This number includes a backlog of about 464,000 cooperators, owning or operating some 173 million acres, who have not as yet been assisted in the development of conservation plans for their land.

The major part of the soil conservation job still lies ahead, however. The United States continues to suffer heavy soil erosion losses. Some 120 million acres are endangered seriously, and only about a third of our land is safeguarded adequately. More than half the estimated \$1.2 billion average annual flood water and sediment damage in the United States occurs on the headwater streams and small tributaries. And sediment causes costly damage to the Nation's 10,000 major water storage reservoirs. The amount of erosion-produced sediment dredged annually from our rivers and harbors exceeds the volume of earth dug for the Panama Canal.

Increased farm production resulting from tremendous advances in science and technology tends to obscure the fact that, to meet food and fiber needs of a few years hence, this country will need the production equivalent of around 200 million more acres, based on current yields. Since we do not have additional acres of cropland available in the United States, this production must come largely from increased yields on existing cropland. This is in the face of continuing annual losses of some 400,000 acres of cropland because of erosion, and three times that amount each year through conversion of good farming land to urban and industrial uses.

Nearly one-fourth of the people of the Nation face problems of water shortage, poor water, or both. The rate of water use predicted for 1980 is nearly twice what it was in 1955. In some areas of this country we are already finding that expansion of population and industry is limited by the lack of adequate sources of water.

During our budget hearings on the 1969 budget this year, the Administrator of the Soil Conservation Service outlined the future needs for resource conservation in the following words—pages 150–151, part I:

In its report "Resources in Action, Agriculture/2000" issued in 1967, the Department of Agriculture pointed up the dimensions of the requirements on land and water resources which underscore the urgency of conservation action. By then we expect to see: food needs almost doubled; wood product needs about doubled; water needs for municipal use doubled; for manufacturing use, quadrupled; outdoor recreational land requirements more than doubled; irrigation withdrawals of water up 50 percent; twice as much land used for homes, schools, factories, and other urban purposes; 8 million more acres of land used for reservoirs; 5 million more acres of land used for wildlife refuges; and 4 million more acres of land used for transportation.

AGRICULTURAL CONSERVATION PROGRAM

Through the years, the agricultural conservation program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily 'apply needed conservation measures. It is used in all agricultural counties in the 50 States, Puerto Rico, and the Virgin Islands. Conservation practices were carried out under this program in 1967 on about 1 million farms and ranches, covering nearly 400 million acres.

This program has served the Nation well for a quarter of a century. It has helped to meet the public responsibility for protecting and conserving the soil, water and woodland resources of the Nation. The accomplishments of this program have been significant. During the 30 years from 1936 to 1966, stripcropping has been established on over 112 million acres of cropland, and nearly 30 million acres have been terraced. Over 1.9 million storage dams and reservoirs of various types and sizes have been built, and over 53 million acres have been protected through erosion control and water conservation.

During this period, this program has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of the practices, plus his labor. The per capita annual cost is about \$1.40. The per farm cost is around \$200 and the investment per acre of farmland is around 55 cents.

During our hearings this year on the 1969 budget, the Administrator of the Agricultural Stabilization and Conservation Service made the following significant statement concerning this program—page 204, part III:

Farmers' requests under the agricultural conservation program each year for the past several years have been more than three times the available funds that we had for cost sharing. We know from past history that the conservation work was not being accomplished before we began the cost-sharing method that really started in 1936. We also know from past history of other nations throughout the world that conservation of the land as such was never accomplished or never undertaken or never adequately accomplished. We somehow or other came forth, Congress in its wisdom came forth, in

1936 with an incentive concept which provided to farmers a means of accomplishing conservation. Congress in effect said it is in the public interest that we keep this soil of ours productive and that we keep the land that is being farmed in a productive state.

WATERSHED PROTECTION AND FLOOD PREVENTION

Flood prevention work on the 11 original watersheds was initiated by the Flood Control Act of 1944. Work has been in process under the supervision of the Department since that time. This committee has frequently provided more funds than requested for this purpose and has consistently urged the Department to speed up construction to prevent continued loss of soil and water and to save money in view of steadily increasing construction costs.

Recognizing the value of this upstream watershed approach to our conservation efforts, and realizing the need for such work throughout the entire United States, the committee initiated the watershed protection program in 1954 by adding \$5 million not requested in the budget to initiate conservation work on about 60 pilot demonstration projects in various areas of the country. This program was so well received and proved so successful that Public Law 566 was adopted the following year to establish a permanent upstream watershed program on a nationwide basis.

Since that time, there has been a tremendous growth in local demand for planning and construction assistance under the Public Law 566 watershed protection program. As of June 30, 1967, the number of applications for planning received from local organizations totaled 2,653. These applications covered 194,069,500 acres in 49 States and Puerto Rico. As of June 30, 1967, a total of 1,311 applications has been approved for planning since the inception of the program, and 1,017 remained to be planned. The rest have been canceled or completed. A total of 817 projects were approved for construction as of June 30, 1967, with 658 projects still uncompleted.

RESTORATION OF CONSERVATION FUNDS

A comparison of the 1968 appropriations and 1969 budget estimates for the soil conservation programs of the Department follows:

	1968	1969	Increase (+) or decrease (—)
Soil Conservation Service:			
Conservation operations.....	\$113,500,000	\$116,313,000	+\$2,813,000
Watershed planning.....	6,000,000	6,224,000	+224,000
Watershed protection.....	70,403,000	42,148,000	—28,255,000
Flood prevention.....	25,753,000	12,395,000	—13,358,000
Great Plains conservation program.....	16,336,000	13,414,000	—2,922,000
Resource conservation and development.....	6,129,000	6,474,000	+345,000
Total, SCS.....	238,121,000	196,968,000	—41,153,000
Agricultural conservation program:			
Program authorization.....	220,000,000	100,000,000	—120,000,000
Liquidating appropriation.....	220,000,000	195,500,000	—24,500,000

A majority of the members of the committee are opposed to the proposed reductions in the various conservation programs of the Department. The large number of communications received

from Members of Congress on both sides of the Capitol, as well as many non-Government individuals and organizations, would indicate that this position has wide support throughout the Nation.

Accordingly, the committee has provided funds to continue these conservation programs at or close to the operating levels approved by Congress for fiscal year 1968. These restorations are based on the committee's belief that we must continue our nationwide conservation efforts to avoid the fate of the countries of Asia and Africa which are dependent on the United States for a major portion of their food supplies. The committee has reduced funds requested in the 1969 budget for sales for foreign currencies and donations under Public Law 480 by over \$618 million—nearly four times as much as the amount restored for the preservation of the natural resources of our own Nation.

Work on the 11 major watersheds under the flood prevention appropriation is far behind a satisfactory and economical rate of progress. When these projects were authorized in 1944, it was estimated that they would take about 15 years to complete. In 1968, some 24 years later, the work on these projects is only 55 percent complete on the average. The proposed 1969 rate of obligation would extend the completion date even farther into the future. On this basis, the date of completion for one of the major watersheds would be 1989—21 years in the future. At the 1967 level of operation, this project could be completed 9 years earlier. With ever-advancing construction costs, earlier completion would be a substantial saving to the taxpayers.

The figures presented for the Public Law 566 watershed protection program show that by June 30, 1968 there will be an estimated 1,077 projects awaiting planning and 693 projects still under construction. Testimony presented to the committee indicates that the local sponsors of these projects are anxious to move ahead at a much faster rate. In some cases, delays in obtaining local easements and funds have been overcome and the local organizations are fully equipped to proceed. In other cases, project sponsors have already assumed financial obligations to provide such easements and funds, only to find that Federal funds are being withheld, despite Government assurances that their projects would proceed at a normal rate.

Data included by the Department on pages 174-177 of part I of our 1969 hearings show that a total of 66 local sponsors have obligated themselves financially and are ready to meet their share of resources needed to proceed with those projects. Tables on pages 178-184 of these same hearings list an additional 223 projects agreements which will be ready for signature by June 30, 1968, even though funds made available by the executive branch for 1968 are inadequate to proceed with such projects. The appropriations proposed for this program in the 1969 budget are even more restrictive.

These executive branch actions are not only incompatible with the best interest of this Nation, but they are inconsistent with the statements and pronouncements of the leaders of that branch of the Government. In a speech to the natural resources committees of the U.S. Chamber

of Commerce on February 2, 1968, the Secretary of Agriculture stated:

It is no secret that we are facing an environmental crisis. It affects every one of the basic elements of the biosphere—air, earth and water, and every one of us.

In this same speech he stated:

That brings us to the oldest of all water pollutants—one that was around long before man came on the scene—silt and sediment. The cost of sediment in our reservoirs alone is \$100 million a year. Sediment ruins recreational lakes, kills fish, costs millions in taxes for dredging and filtering, and carries other pollutants into the water. Total yearly silt pollution damage is in excess of \$346 million.

He also made the following significant statement:

Soil is going to wind up somewhere. It's a solid part of our environment. That leads me to a rhetorical question: Is it better, through erosion control measures, to pay a little bit to keep useful soil on the land—or is it better to pay a great deal more at the other end of the line, and dredge that soil out of some river or reservoir? The comparative costs are 1 to 20. That is, it averages 20 times as much to dredge sediment out of water, as it would have cost to keep it as soil on the land, leaving aside the productive loss to the farmer from his lost topsoil.

At his Second Annual Farm Policy and Rural Life Conference on March 25, 1968, the President is reported to have made the following significant statement:

So many times when I have read these reports on our cities, and I have seen the wreckage on the television film at night of our towns burning, I have just wondered if we could have just spent a small proportion of the money that we're going to have to spend now in those cities, in helping to keep the people where they could live on the farm, how much better it would be.

Today we have many things to worry us—but one of the major things is that we do have a dollar imbalance situation in our international trade. When we study agriculture, we can see that agriculture has earned about \$6.8 billion of our income in foreign dollars, which is about 60 percent of the dollars that we have to maintain our dollar balance. So we do not want to cut the programs that maintain our land and our ability to produce, so we can look out for ourselves, now, and in future years.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding, and I would like to commend the gentleman for pointing out to the House once again the dollar situation and the fact that there are a number of items in the bill which have been added on to agriculture. It seems to me as though the Committee on Agriculture does not want to give up its jurisdiction over some of these items, for instance, items such as the school lunch program and the milk program.

It seems to me, Mr. Chairman, that these ought to be under HEW, and I wonder if the gentleman would address himself to that point?

Mr. WHITTEN. In reply to the gentleman, prior to coming to the House I was engaged in the practice of law. From a consideration of the law angle I would agree with the gentleman that there are many things that are possibly carried in this bill that possibly should not be charged to Agriculture.

But at the same time we have had the burden of trying to get this bill through the Congress, and each year it becomes more difficult. At present we have 47 districts out of the 435 districts which contain as much as 20 percent farmers. There is considerable doubt in my mind, whether if we did not have some of these programs in the Department of Agriculture that affect the whole country, we could not get a shirttail's worth of support to pass this essential agricultural program. As I say, there are only 47 districts out of the 435 that have as many as 20 percent engaged in agriculture.

So I agree with the gentleman that possibly in the public's mind many of the things in this bill should not be charged up as costs for the operation of the Department of Agriculture. The Department of Agriculture is more or less carrying on many of these programs, at the instance of the Congress.

I do not know whether some of these things need to be in this bill. Possibly they are of some help to some of our friends in realizing the necessity of this bill. For that reason alone, I believe it is necessary to keep these items in the bill.

The following statement prepared by the Department of Agriculture indicates the various programs which have benefits for the general public as well as the farmer:

BUDGET EXPENDITURES AND MAN-YEARS OF EMPLOYMENT, FISCAL YEARS 1967, AND ESTIMATED 1968 AND 1969

	1967		1968 estimated		1969 estimated	
	Expenditures (millions)	Man-years	Expenditures (millions)	Man-years	Expenditures (millions)	Man-year
Programs which clearly provide benefits to consumers, businessmen, and the general public:						
Programs having foreign relations and defense aspects:						
Sales of agricultural commodities for foreign currencies and for dollars on credit terms (title I, Public Law 480).....	\$1,070	336	\$890	379	\$1,002	351
Commodities and other costs in connection with donations abroad (title II, Public Law 480).....	381		425		442	
Transfer of bartered materials to supplemental stockpile.....	24		24		6	
Donations of dairy products to armed services and others.....	—2	1	1	—	1	—
Other.....	—2	1	—1	—	—2	—
Total.....	1,473	344	1,339	385	1,443	356

BUDGET EXPENDITURES AND MAN-YEARS OF EMPLOYMENT, FISCAL YEARS 1967, AND ESTIMATED 1968 AND 1969—Con.

	1967		1968 estimated		1969 estimated	
	Expenditures (millions)	Man-years	Expenditures (millions)	Man-years	Expenditures (millions)	Man-year
Programs which clearly provide benefits to consumers, businessmen, and the general public—Continued						
Food distribution programs (domestic):						
Commodities distributed to the needy and others.....	\$282	292	\$424	345	\$448	375
Food stamp program.....	114	547	178	907	238	1,523
School lunch program.....	208	146	220	188	246	232
Special milk program.....	96	57	102	65	102	65
Total.....	700	1,042	924	1,505	1,034	2,195
REA and FHA repayable loans:						
REA loans.....	412		471		550	
Repayments of principal and interest.....	-274		-296		-301	
FHA loans.....	-15		-103		-7	
Salaries and expenses for loan programs.....	69	8,010	78	8,592	77	8,627
Total.....	192	8,010	150	8,592	319	8,627
Long-range programs for the improvement of agricultural and natural resources:						
Forestry.....	198	30,971	217	31,108	185	30,351
Agricultural and forestry research.....	247	12,934	263	13,536	281	13,952
Plant and animal disease and pest control.....	77	5,959	87	6,273	89	6,352
Soil and water resource protection and development:						
Agricultural conservation program.....	257	371	257	369	244	369
All other.....	255	17,567	277	18,026	276	17,407
Cooperative agricultural extension work.....	92	265	90	312	97	329
Inspection of commodities and other marketing services.....	85	11,785	100	12,582	111	13,730
Other.....	81	6,628	97	6,891	99	7,234
Total.....	1,292	86,480	1,388	89,097	1,381	89,724
Total.....	3,657	95,876	3,801	99,579	4,177	100,902

Mr. LATTA. The thing we should attempt to do then is to point these matters out, that year after year these operations should not be charged to the Department of Agriculture but they are charged to Agriculture just as a matter of expediency in passing this legislation.

Mr. WHITTEN. If you recall, when the school lunch program was established it was originally a surplus disposal program.

Under the section 32 farm program, commodities are purchased with section 32 funds, which are 30 percent of the import duties, these were made by Agriculture to help to support and maintain a healthy agricultural economy. They were diverted to the school lunch program and other good uses. So we have insisted that we keep them in here because it is getting more and more difficult to get Members to understand just how important this matter is. I think agriculture today is ten times more important to the American people than it was 20 years ago. Because 20 years ago the average farm family took care of themselves and relatively few others. Now it has become the means of freeing 94 percent of our people to do other things.

Agriculture is one of the biggest markets for industry and labor. I think it is more important to our general economy today than any other period. But it does leave us with the problem of getting support. I have made speeches in place after place where I made some offhand comment about defense—and I work on that Subcommittee on Appropriations too—and I made some offhand comment about rivers and harbors—and that would be played up in great big headlines. But when I said something about agriculture, I usually ended up with somebody trying to claim that agriculture gets too much.

The fact is that the farmer gets about

half as much return on his investment as he did not too long ago. His overall income is dependent upon the farmer pledging himself to bigger and bigger farms, and, more and more machinery, and higher and higher costs. But when you get around to the politicians and the newspapers and the news media—who are they going to protect? Naturally, it is the 94 percent who are nonfarmers. But in the process, we have through the actions of the Congress, I think, done a reasonable job for agriculture. But it is becoming more and more difficult because there is less and less understanding of it.

Mr. LATTA. I want to commend the gentleman again on the statement that he is making. I am trying to point out the fact that agriculture is somewhat in a bind because farmers are doing a better job each year producing more foods and fiber for the Nation but are getting less in return. Here we have agriculture getting 73 percent of parity.

I can remember, as the gentleman also can, that a few years ago they were talking of 90 percent and 95 percent and even 100 percent of the dollar—but the farmers are doing a better job and the consumer is getting a quality product cheaper, I should say, and the farmer is getting less and less money for his products.

Mr. WHITTEN. I appreciate the statement of my friend and colleague, but I would like to go one step farther and to say that with all our problems we are trying to bring you a good bill. Despite the press this morning that said the cuts were only paper cuts—this bill cuts expenditures \$414 million. This bill cuts the obligational authority, that is the dollars available for obligation, by \$1,400,000,000.

Now the 6 percent of our people, who on an average have nearly \$75,000 invested in agriculture, and who do not

have any minimum wage or minimum protection within the law, face a real threat. Those who do not understand think that you ought to change the law to require this 6 percent to split up their operations and try to feed this country with small farms.

To require a farm to be broken up into an uneconomic unit that is too small to buy the \$17,000 to \$25,000 combines or pickers, would be just about as good for our economy as requiring automobiles to be built by factories that do not have over 50 employees.

Now, I will proceed to complete my opening remarks on the bill.

DIVERSION OF FUNDS

The conference report on the 1968 appropriations bill called attention to the growing practice in the executive branch of financing a portion of the cost of various special boards, councils, and commissions created by Executive action from assessments made against appropriations provided for specific programs and projects of the Department of Agriculture. It pointed out that in nine instances during the previous year, funds appropriated by Congress for specific programs of the Department of Agriculture were transferred to finance such outside organizations. It stated:

In the opinion of the conferees, this practice results in duplication and overlapping, permits the establishments of less essential programs at the expense of more valuable activities, and therefore should be discontinued. Each such proposed diversion of funds should have prior review and approval of Congress.

The authority cited by the executive branch for this practice is section 214 of the Independent Offices Appropriation Act of 1946. There is nothing to indicate this provision was to have general application. Thus, we have provided a restriction on further use of such authority.

Since the adoption of the conference report in October 1967, the Bureau of the Budget has called on the Department on a number of occasions to provide funds for councils and commissions not directly related to the Department of Agriculture. The committee has no record of advance congressional approval of these additional assessments against funds provided for the regular activities of the Department, as required by the conference report language quoted above.

In order to make certain that the executive branch follows the congressional directives on this matter, the 1969 agriculture appropriation bill carries language to prohibit unauthorized diversions of funds provided by Congress for specific projects and programs. This provision, which is found in section 508 of the general provisions, reads as follows:

None of the funds in this Act shall be available to finance interdepartmental boards, commissions, councils, committees, or similar groups under section 214 of the Independent Offices Appropriation Act, 1946 (31 U.S.C. 691) which do not have prior and specific congressional approval of such method of financial support.

AGRICULTURAL RESEARCH SERVICE

For research, the bill includes an appropriation of \$125,972,500, plus a transfer of \$15,000,000 from section 32 funds, for the coming fiscal year. The appro-

priation recommended is the same as was provided for fiscal year 1967. It is a decrease of \$10,300,600 in the budget request and is \$10,803,000 below the 1968 appropriation.

The amount recommended includes the full funds requested to annualize the pay increases in fiscal year 1969. It also provides \$1,126,900 to reinstate the most essential research activities deferred in fiscal year 1968. Of highest priority is the utilization of new research facilities which have been constructed with funds provided in previous years and are now ready for operation. In view of the lack of funds, however, no additional money has been provided for new planning or construction projects in fiscal year 1969.

Within the funds provided, the Department is directed to give special attention to the following urgent needs:

First. A survey of the wheat rust problem in Montana looking toward increased testing and selection of rust resistant varieties for production in that area.

Second. The continuation of a contractual arrangement for sugarcane refining research on the manufacture and use of sugarcane. Also, additional research on root maggots and disease-resistant varieties of sugar beets is essential to the future of this important segment of agriculture.

Third. Reconsideration of the elimination of research on improved work methods, equipment and layout for efficient food handling during wholesaling and retailing. This work is highly important to the maintenance of competition between small and large organizations. The larger chainstores can afford to do this type of research, but the smaller retailers and wholesalers do not have the financial ability to keep pace without some Federal research of this type.

Fourth. Increased research on improving plant sources of protein of corn, wheat, and rice. Plants offer significant possibilities as a means to increase both quantity and quality of proteins to meet the challenge of the rapidly expanding food needs throughout the world.

Fifth. A feasibility study of a proposal of the Pan American Tung Research & Development League for fundamental and developmental research on tung oil and its basic oleostearic acid constituent.

Sixth. Expansion of the planning authorized last year for the Grasslands Restoration Center so as to combine the additional Federal research in the Temple, Tex., area into one facility.

The amount provided includes as a direct appropriation \$275,000 for research which was provided in fiscal year 1968 as a transfer from the Commodity Credit Corporation. Of this amount, \$170,000 is to be allocated to the Southern Utilization Laboratory, including \$100,000 for continuation of a research contract with Texas Tech University in fiscal year 1969. The balance of \$105,000 is to be used to continue research on automated cotton classing.

In the completion of the present addition to the National Sedimentation Laboratory, the committee expects proper equipment and facilities to be installed to conduct research on sedimentation and all other pollutants so as to meet the

nationwide need for research in all aspects of pollution of our rivers, streams, reservoirs, and harbors.

For plant and animal disease and pest control, the committee recommends an appropriation of \$85,298,500 for the next fiscal year, a decrease of \$3,349,000 in the budget estimate and a decrease of \$503,500 in the 1968 appropriation. The amount recommended is the 1968 actual obligation level, which will enable the continuation of the disease and pest control programs at the present operating level, is believed by the committee to be all that will be matched by the counties and States affected.

For fiscal year 1968, the Congress directed the Department to enforce the Laboratory Animal Welfare Act at a cost not to exceed \$1,200,000. We have continued this directive for fiscal year 1969. While the committee is disappointed that the Department has not moved faster on this program during the current year, the Administrator of the Agricultural Research Service reports that all known dealers, 183 in number, have been inspected at least once, and some have been visited several times. Also, 532 research facilities have been registered and about half of their 1,500 locations have been inspected at least once. To date, 18 cases have been found to not be in compliance and nine of these have been referred for prosecution. These activities have involved the full time of three veterinarians and four supporting personnel in Washington and the part-time services of 73 veterinarians, 41 livestock inspectors, and 10 clerks in the field.

A budget increase of \$50,700 was proposed for 1969 to initiate research to determine the need for exercise of animals being held for laboratory use. The committee recognizes that space for exercise should be a requirement. The Department should issue the necessary directives and regulations based on information already available on this subject.

In fiscal year 1958, the Department initiated a research program abroad utilizing foreign currencies generated by the sale of surplus agricultural commodities under title I of Public Law 480. Originally confined to market development research authorized by section 104(b)(1) of Public Law 480, as amended, the program was subsequently expanded to include agricultural and forestry research under section 104(b)(3) of the laws, as amended. It now involves work in the following general areas: Farm research, utilization research, marketing research, forestry research, agricultural economics research, and human nutrition research.

This research is conducted with local currencies in countries in which the United States has foreign currency available in excess of normal U.S. requirements. The dollars appropriated for this purpose are used to purchase these excess currencies from the Treasury Department. Since the dollars remain in the United States, and since this country owns large amounts of excess currencies in some 15 countries, their use for research and market development purposes appears fully justified.

An appropriation of \$4,500,000 is included in the bill for the coming fiscal

year. This amount, which is the 1967 appropriation level, is a reduction of \$4 million in the 1968 appropriation, and \$8,200,000 in the 1969 budget request. In addition, a carryover of \$341,000 of prior-year funds will be available in 1969.

COOPERATIVE STATE RESEARCH SERVICE

A total of \$58,958,000 is provided for fiscal year 1969. This is a decrease of \$3,221,000 in the 1969 budget estimate and is \$4,155,000 below the 1968 appropriation. The amount approved will permit the continuation of the present level of operation for the various programs of this agency.

In the opinion of the committee, the funds provided for the research and extension program of the land-grant universities should be used to maintain the Federal share of salaries on a basis comparable to those of other Federal employees. Where necessary, this should be done by not filling vacancies.

EXTENSION SERVICE

The Federal Extension Service provides for leadership, counsel, and assistance to the 50 States and Puerto Rico. This staff, which is located primarily in Washington, serves as liaison between the Department of Agriculture and the States, provides leadership and assistance to the States in the conduct of the program, administers Federal laws authorizing extension work and coordinates the work among the States, and provides leadership in and coordination of the educational phases of all programs under the jurisdiction of the Department.

The following appropriations are provided for the various programs of the Extension Service:

Payments to States and Puerto Rico	\$78, 532, 500
Retirement costs for extension agents	8, 818, 500
Penalty mail	3, 299, 000
Federal Extension Service.....	2, 838, 000
Total, Extension Service--	93, 488, 000

The amounts included in the bill are \$3,114,000 less than appropriated for fiscal year 1968 and \$4,141,000 less than requested for fiscal year 1969. They provide for the continuation of Federal support for extension programs at the present funding level.

As indicated under the Cooperative State Research Service, the Federal funds should be used to maintain salary levels on a basis comparable to other Federal employees, by not filling vacancies where necessary.

Last year the Congress provided a substantial increase for 4-H Club activities. In its report, the committee stated:

In view of the many agencies of the Department and the entire Federal Government engaged in community development activities, the committee feels that the additional funds can be used most effectively in programs which work directly with the youth of this Nation. The wholesome effect of 4-H Club activities has been so beneficial to rural youth that additional efforts to bring 4-H programs to young people in the congested and deprived urban areas of the United States would make an invaluable contribution to the moral, spiritual, and economic strength of this Nation.

In the light of recent difficulties in many of the major cities of this country, work with urban and rural youth is even more important today. The committee feels, therefore, that the Extension Service should give increased attention to the 4-H Club programs of the Nation during the coming fiscal year.

FARMER COOPERATIVE SERVICE

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their business. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The amount recommended for fiscal year 1969, \$1,341,000, is \$507,000 less than requested for fiscal year 1969. The increase of \$37,000 over fiscal year 1968 covers the 1968 portion of the Pay Act costs and will permit the programs of this agency to continue at the present operating level.

The Secretary of Agriculture is giving increasing encouragement to farmers to organize themselves into cooperatives to give them more "muscle" in the marketplace. While this approach may bring some beneficial results, if carried out in a fair and reasonable manner, it must be handled very carefully, since a very real danger is inherent in attempting to control the supply of food through monopoly practices or centralization of bargaining power.

In the pursuit of these objectives, the Secretary should give full recognition to the farm programs which have been authorized since 1935. Under these programs, loans could be obtained on storable commodities to enable the farmer to hold them for the most favorable market conditions. He could surrender them to the Commodity Credit Corporation where market conditions warrant such action.

The section 32 program provides indirect price supports to the producer of fruits, vegetables, meats, and other perishable or nonstorable commodities by removing surpluses from the marketplaces before they depress prices.

These long-established and time-tested programs have worked well in the past, except where faulty government policy held U.S. commodities off world markets. There is much reason to believe that the original program of loans on storage commodities and purchases, and diversion of surplus perishable commodities, if properly operated, remains best and should be continued in preference to any other system proposed to date. The movement to strengthen the farmer's bargaining power should not be substituted in any way for these existing programs.

SOIL CONSERVATION SERVICE

For conservation operations, an appropriation of \$114,893,000 is included in the bill for fiscal year 1969. This is a decrease of \$1,420,000 in the 1969 budget estimate. The increase of \$1,393,000 over the fiscal year 1968 appropriation will cover the Pay Act increases made in 1968. The amount approved is the 1968 actual funding level, after the withdrawal of funds in 1968 as determined by the Secretary of Agriculture.

The amount provided for this activity in fiscal year 1969 will require some reduction in man-years next year, due to pay increases and other higher operating costs. This should be more than offset, however, by the additional man-years which will be available from the increased transfers from the agricultural conservation program on the basis of the restoration of the full \$220 million advance authorization for 1969 proposed in this bill.

The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, this committee provided \$5 million in the 1954 appropriation act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, Congress enacted Public Law 566, 83d Congress, which placed this program on a permanent basis. Also, under authority of section 8 of this same act, as amended, loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations included in this bill for Public Law 566 projects designated as "watershed planning" and "watershed protection," and through a separate appropriation, "flood prevention," which covers the 11 original major watersheds.

For watershed planning, the 1968 actual operating level of \$6,165,000 is recommended. This is a decrease of \$59,000 in the 1969 budget request. The increase of \$165,000 over the 1968 appropriation is required to meet Pay Act increases approved in fiscal year 1968. The level of 100 new planning starts which has been approved by Congress for the past 3 years is approved again for fiscal year 1969.

For watershed protection, a new appropriation of \$65 million, plus an estimated carryover of \$6,715,000, is provided for the next fiscal year. This will enable the program to be continued at about the 1968 authorized level. The committee has restored the proposed budget cut for this program because of its belief that we must continue our nationwide conservation efforts to avoid the fate of the countries of Asia and Africa which are dependent on the United States for a major portion of their food supplies.

As of June 30, 1968, there will be some 693 projects under construction, plus an

additional 117 expected to be ready for construction. The previous level of 80 new construction starts is approved again for 1969.

For flood prevention, an appropriation of \$20 million, plus an estimated carryover of \$5,800,000 is proposed for fiscal year 1969. This will fund the program at approximately the 1968 authorized level.

The restoration of the proposed budget reduction for this program is based on the factors outlined earlier in this report. As pointed out previously work on the 11 major watersheds under this program is far behind a satisfactory and economical rate of progress. When these projects were authorized in 1944, it was estimated that they would take about 15 years to complete. In 1968, some 24 years later, the work is only 55 percent complete on the average. The proposed 1969 rate of obligation would extend the completion date even further into the future. On this basis, for example, the date of completion for one of the major watersheds would be 1989—21 years in the future. At the 1968 level of operation, this project could be completed 9 years earlier. With ever-advancing construction costs, earlier completion would be a substantial saving to the taxpayers.

The Great Plains conservation program was authorized under Public Law 1021, 84th Congress (16 U.S.C. 590p), to provide farmers and ranchers in the critically erodible areas of the Great Plains with assured conservation cost sharing and technical assistance. The program is designed to protect, improve, and conserve the soil, water, plant, and wildlife resources of this vast agricultural area and help to stabilize its economy. The work supplements other soil and water conservation programs and activities in counties designated by the Secretary. It is also coordinated with the programs and objectives of locally managed conservation districts, State agencies, and community groups.

The bill includes an appropriation of \$16 million for fiscal year 1969. This amount will fund this program at close to the 1968 appropriation level.

The increase of \$2,586,000 in the budget estimate is based on the urgent need for additional conservation work in the "dust bowl" area of the Great Plains States. Also, the number of unserved applications continues to increase—from 4,649 in 1967, to 6,374 in 1968, and 7,774 in 1969.

CONSUMER AND MARKETING SERVICE

For consumer protective, marketing, and regulatory programs the committee recommends an appropriation of \$118,989,500 for fiscal year 1969, a decrease of \$856,500 in the 1969 budget estimate. The increase of \$29,679,500 over 1968 includes \$2,799,000 for 1968 pay increases and \$26,880,500 to meet additional meat and poultry inspection responsibilities.

An increase of \$22,825,000 plus 1969 pay increases is provided for the increased meat inspection responsibilities resulting from the Wholesome Meat Act of 1967 adopted last session. A large portion of this additional money is for

grants to States to improve their meat inspection programs. The balance is requested to provide technical assistance to the States and to expand Federal inspection to new and existing interstate plants.

The increase includes \$3,492,000 plus pay costs for poultry inspection for the coming fiscal year. This is related to an expected increase of around 8 to 10 percent in the volume of poultry and the number of plants to be inspected.

The committee is aware that the work of this agency has grown due to increased inspection workload as well as the additional responsibilities assigned by Congress. It has provided the full budget request for this work in fiscal year 1969. It believes, however, that a large portion of these additional funds could be saved by proper coordination of the inspection activities and by the adoption of the most efficient and economical organizational setup.

To assure that these extra funds are effectively utilized, the appropriation bill for 1969 contains language which places one-half of the additional money in a reserve, to be released by the Bureau of the Budget, if and when needed, at such time as a complete and effective reorganization of the Consumer and Marketing Service, including meat and poultry inspection activities, has been made.

Based on recent evidence of overlapping and duplication of inspectors at slaughtering plants, the committee requested the General Accounting Office to make a special study of the organization and operations of the Consumer and Marketing Service, with specific reference to the meat and poultry inspection activities. The report received from the General Accounting Office noted a number of instances of duplication of inspection work, lack of uniform practices and procedures, failure to effectively utilize field inspectors, scattering of supervision, and an inefficient and wasteful organizational setup, especially in the field.

The report pointed out that there may be as many as three types of C. & M.S. employees in one slaughtering plant at the same time: First, meat inspectors of the Meat Inspection Service; second, meat graders of the Livestock Division; and third, poultry inspectors of the Poultry Division. The report pointed out that these inspectors normally operate independently and are part of separate field organizations which are responsible to separate organizational units in Washington, D.C. In addition, the report indicated that both poultry inspectors and poultry graders may also be present in a poultry slaughtering plant, and these poultry inspectors and graders are part of separate C. & M.S. field organizations and normally operate independently.

The GAO report pointed out the need for more effective cross-utilization of meat and poultry inspectors. It indicated that C. & M.S. has not taken any significant action to more fully implement cross-utilization of meat and poultry inspectors, although the need for such action was disclosed in a report issued by the Office of the Inspector General in

February 1965. It pointed out that more fully implementing cross-utilization of inspection personnel could make existing inspectors available to undertake additional Federal inspection work arising as a result of the Wholesome Meat Act of 1967.

The GAO study also noted that, in addition to the four separate nationwide field organizations for meat inspection, meat grading, poultry inspection, and poultry grading, there are 12 other major nationwide C. & M.S. field organizations. It indicated, as an example, that there are 20 separate C. & M.S. field offices in San Francisco alone. The discussion of these matters will be found in part 3 of the 1969 hearings, pages 501 through 562.

In view of these findings, the committee directs the Department after consultation with interested groups to reorganize its organizational arrangement and its inspection activities on the most efficient and economical basis possible. None of the funds placed in reserve should be released until steps are taken to: first, eliminate the existing duplication in the meat and poultry inspection and grading services; second, establish a system of cross-utilization of inspection personnel; and third, correct the present organizational deficiencies noted in the GAO study.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps, and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

The full budget estimate of \$104 million is recommended for the coming fiscal year. This will permit the program to continue at the level authorized for fiscal years 1967 and 1968. These funds are to be transferred from section 32 funds as was done in 1968.

Official estimates indicate that the total amount expected to be available for section 32 purposes next year will be more than adequate to meet its regular surplus removal and export activities, plus proposed transfers to finance this and other programs in the coming year. An analysis of the estimated section 32 income and outgo figures for next year indicates that the balance as of June 30, 1969, will be sufficient to assure a normal carryover of \$300 million, with a remaining unused balance of \$226 million to be returned to the Treasury.

For the school lunch program, the 1968 appropriation of \$182,825,000 is proposed again for fiscal year 1969, a decrease of \$1,618,000 in the 1969 budget request. In addition, a transfer of \$64,325,000 from section 32 is approved to provide total funds of \$247,150,000 for the next fiscal year. The increased transfer provides an additional \$19,325,000 for commodity purchases under section 6 to provide well-balanced and nutritional needs.

The funds provided for the various purposes under this heading are as follows:

Cash payments to States.....	\$171,448,000
Special cash assistance.....	5,000,000
Commodity procurement.....	64,325,000
Pilot school breakfast.....	3,500,000
Nonfood assistance.....	750,000
Operating expenses.....	2,127,000
Total obligations.....	247,150,000
By appropriation.....	182,825,000
By transfer from section 32	64,325,000

The food stamp program is designed to benefit those families who are receiving some type of welfare assistance—primarily the unemployables, the aged, the blind, the disabled, and mothers with dependent children. It is also authorized to help other families with incomes as low or lower than that of families receiving welfare assistance but who, for a variety of reasons, are not eligible for welfare assistance. This may include those living on small pensions, the unemployed, the underemployed, and those whose training limits them to unskilled, low-paying employment.

Under the program, families must invest the money they would normally spend for food in the purchase of food stamps. In return, they receive additional stamps without charge. Thus the normal food budget continues to be spent for food and the Federal assistance results in the purchase of more food. The increase in retail food stores sales—averaging about 8 percent—in areas in which the program is operating, results in a further expansion in farm markets and acts as a stimulant to the overall economy of those areas.

The valuable contribution of the food stamp program to the health and diets of an increasing number of consumers in all parts of the Nation warrants special consideration of the funds provided for this purpose. Public demand for this program is indicated by the growth in participation from 140,736 in 1962, to 1.8 million on June 30, 1967. Participation is expected to grow to 2.7 million in 1968 and 3 million in 1969.

The full budget request of \$225 million is recommended for the next fiscal year. This is an increase of \$40 million over funds available for 1968. Of this amount, \$25 million has been placed in reserve to be released by the Bureau of the Budget when need develops and when various corrections in the handling of the program have been made.

A special study made by the committee's surveys and investigations staff, pursuant to a directive dated March 6, 1967, disclosed a number of instances of laxity in the administration of this program. These include:

First. Inadequate interviews by case-workers, submission of incomplete applications, and failure to include income for all members of households.

Second. Inadequate identification of participants. In one instance, the same person acted as a proxy for 969 recipients and purchased food stamp coupons having a value of \$53,128 for which he paid \$36,892 and received bonus coupons valued at \$16,237. The coupons were

never in possession of any of the recipients.

Third. Despite the disqualification of 148 retailers in 1967, there have been only 29 criminal prosecutions in the past 3 years.

These conditions need to be corrected to preserve the integrity of this program and to assure maximum operating economy. The funds placed in reserve should not be used until such corrections have been made.

FOREIGN AGRICULTURAL SERVICE

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products. It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

The committee recommends an appropriation of \$21,153,800 for fiscal year 1969, a decrease of \$987,700 from the 1968 appropriation level and a reduction of \$1,260,700 in the budget estimate. The amount provided will permit continued operations at the 1968 actual level. In addition, \$3,117,000 is available by transfer from section 32 and \$2,012,175 is available by transfer from CCC. This makes total funds available for 1969 operations of \$26,282,975.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; curb unwarranted changes in price resulting from excessive speculation by large traders; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to co-operative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill includes \$1,530,000 for fiscal year 1969, the actual operating level for fiscal year 1968. This is a decrease of \$54,000 in the budget request. The increase of \$39,000 covers salary increases incurred in fiscal year 1968.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended—5 U.S.C. 901-913.

The bill includes a total of \$203,795,500 for the operating and administrative expenses of the various programs of this agency. Of this amount, \$141,031,400 is provided by direct appropriation and \$62,764,100 is provided by transfer from CCC to cover costs of operating the Commodity Credit Corporation. The appropriation amount is a reduction of \$2,902,300 in the 1969 budget estimate. The increases of \$3,096,000 by direct appropriation and \$4,155,500 by transfer from CCC are provided to meet pay increases in fiscal years 1968 and 1969.

Payments are made to domestic producers of sugarbeets and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption.

An appropriation of \$80 million is provided for fiscal year 1969 to make payments under this program. In view of the uncertainty of sugar production in the 1968 crop year, and in view of the tight fiscal situation, the amount has been retained at the 1967 and 1968 level.

During the period 1938-67, collections of \$2.5 billion from excise and import taxes have exceeded payments by approximately \$574 million. Estimated collections through fiscal year 1969 of \$2.7 billion will exceed estimated payments through fiscal year 1969 by \$621 million.

Conservation practices under the agricultural conservation program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

This program reaches in excess of 1 million farms each year and results in the application of the greatest amount of conservation measures to the land at the lowest cost per acre of any other similar program.

An appropriation of \$190 million is recommended to make payments earned under the 1968 program. Amounts due are legal commitments and funds must be provided to meet all obligations incurred.

The committee has retained the 1969 program authorization at \$220 million, the level carried for this purpose for many years. To offset this action the committee has cut much more than the

\$120 million restored here from the appropriations for Public Law 480. As noted earlier in this report, much of the foreign currencies earned under this program are used for conservation programs in foreign countries through AID.

Further, this restoration is essential to the continued operation of the conservation programs of the Soil Conservation Service. This restoration will prevent the elimination of 398 soil conservation technicians who are now an essential part of the work unit offices of SCS in all of the 50 States.

The executive branch has justified its reductions in this program through the years on the basis that the smaller amount of funds would be used for so-called permanent practices. The Department's justifications for 1969 state:

The proposed 1969 authorization is a reduction in the program level of \$120 million from the 1968 authorization. This amount will permit the Government to continue to share with farmers the costs of conservation practices with long-term benefits.

On this point, the Administrator, Agricultural Stabilization and Conservation Service, testified to the committee this year—page 205, part 3, 1969 hearings—that 87 percent of the 1967 program practices were for enduring or permanent practices. This would indicate that \$191,400,000 of the 1968 program of \$220 million was spent on permanent practices.

The cropland adjustment program is authorized by title VI of the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the development and conservation of soil, water, forest, wildlife, and recreational resources.

In return for diverting the cropland to approved uses, producers receive adjustment payments. They also are eligible to receive cost-sharing assistance for establishing approved conservation uses. The period of a contract cannot be less than 5 years and not more than 10 years.

The 1968 appropriation level of \$84,500,000 is recommended again for fiscal year 1969, a reduction of \$1,200,000 in the budget estimate. The amount provided is adequate to meet payments due in fiscal year 1969 on all contracts presently in existence.

The committee has not approved the proposed advance authorization of \$55,500,000 to enter into additional contracts under this program in the next fiscal year. The \$1,200,000 reduction in the 1969 appropriation represents funds requested to make payments in 1969 to producers who would have been added to the program had the advance authorization been approved.

The majority of this committee believes that, with our large surpluses virtually gone, and with our commitments in Vietnam and elsewhere, this country cannot afford to follow a policy of taking land out of production. The economic loss to the Nation, plus the dangers inherent in a policy of scarcity, clearly supports the committee's position in this matter.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

The budget estimate of \$304 million is included in the bill for rural electrification loans. This is a decrease of \$10 million below the 1968 authorization. With an estimated carryover of approximately \$41 million of unused prior year funds, a total of \$345 million will be available for the coming fiscal year compared to a lending level of \$350 million in fiscal year 1968. Based on previous experience, all of these loans will be repaid to the Treasury. They do not represent an unrecovered expenditure as do the regular operating programs of the Government.

Testimony from the REA Administrator and representatives of the electric cooperatives indicates that the demand for electrification loans in the next fiscal year will be in excess of \$700 million—double the amount available. One of the principal reasons for this large demand is that electricity now substitutes on the farm for labor which is no longer available. The modern farm is a highly automated and electrified operation.

Because of the general fiscal situation, however, the committee is unable to recommend electrification loan funds in excess of the budget request. In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

In this connection, it should be noted that REA-financed generating plants represent only 1.4 percent of the Nation's total electric generating capacity. It is also significant to note that in fiscal year 1966 REA systems purchased 34.2 percent of their power requirements from investor-owned companies, 39.7 percent from Federal agencies such as TVA and Interior Department power-marketing agencies, and 6.5 percent from non-Federal public suppliers. Only 19.6 percent—one-fifth—of REA power was supplied by REA-financed generating plants.

An appropriation of \$120 million, the full budget estimate, is included for rural telephone loans. This is a reduction of \$600,000 in the 1968 authorization. With an estimated carryover of \$5.8 million from prior-year balances, a total of near-

ly \$126 million will be available for telephone loans in the next fiscal year.

Economy pressures make it impossible to increase the authorization for telephone loans, despite the fact that applications are expected to total around \$460 million in the coming year—nearly 4 times the amount provided.

FARMERS HOME ADMINISTRATION

Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for farm ownership, soil and water conservation, and operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1968, it is expected that this account will have a balance of \$803,402,708. This amount, together with expected collections of \$357,639,000, will provide total loan funds of in excess of \$1,161 million to meet the credit needs of this account in the coming fiscal year. As will be noted later in this report, no income will be available from the sale of participation authorizations in the next fiscal year, since authority for such sales has not been approved.

From this amount, the bill provides loan authorizations of \$337,900,000, including \$83 million for real estate loans, \$250 million for operating loans, and \$4,900,000 for soil conservation loans. These are the amounts proposed in the 1969 budget. They are \$79,600,000 below the amounts authorized in the 1968 appropriation bill.

The committee has gone along with the reduced budget levels for these loan programs very reluctantly. The shortage of operating loan funds is a matter of great concern to farmers and their agribusiness associates throughout the Nation. With a loan level of \$275 million in fiscal year 1968, after the freeze of \$25 million by the executive branch, operating loan funds were exhausted in many States before the spring planting season began. As of the end of February 1968, eight States were completely out of operating loan funds and 13 others had virtually exhausted their funds. This situation has become even more critical since that time. With mandatory budget cuts and expenditure ceilings, however, this situation cannot be corrected in this bill.

Title X of Public Law 89-117—Housing and Urban Development Act of 1965—approved August 10, 1965, amends title V of the Housing Act of 1949 to provide for the establishment of a rural housing direct loan account. This amendment also authorizes the transfer to the rural housing direct loan account of: First, all funds, claims, notes, mortgages, contracts, and property, and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the act; and second, all unex-

pended balances of appropriations for direct loans under title V including funds authorized for direct elderly rental housing loans by section 515(a) of the act.

It is estimated that as of June 30, 1968, this direct loan account will have an unused balance of \$427,162,934. Estimated collections of \$65 million will provide a total of over \$492 million for the coming fiscal year. This is more than adequate to finance the \$15 million of loan authority approved in this bill. Accordingly, the authority for additional participation sales in fiscal year 1969 has not been included in the bill.

The committee is concerned about the administration's policy which requires farmers to put up far greater security for housing or other loans than other rural borrowers. In one such instance which came to the committee's attention recently, it was demanded that the borrower mortgage his entire 250 acres of land to obtain a \$4,000 loan, even though other rural borrowers were required to mortgage only several acres of their land as security.

This policy was established in earlier years when FHA was limited to loans for farmhouses on farm properties. Now that FHA is also authorized to make loans on rural properties, not merely farm properties, this policy should be changed. Farmers Home Administration should require adequate and proper security for its loans. Such security should be reasonable, however, and should be consistent with collateral required on other types of loans. Great inequities can result from the present unrealistic policy in this regard.

Authority for the proposed sale of \$425 million of participation certificates is not recommended for the coming fiscal year. As noted in the preceding paragraphs for the direct loan programs, large unused carryover balances are expected as of June 30, 1968, and again as of June 30, 1969.

Rural water and waste disposal grants: This new program was established by subtitle A of the legislation adopted last session—Public Law 89-240—to provide grants for the development of water or sewer systems in rural areas. The amount of the grant may not exceed 50 percent of the total cost of the project.

An appropriation of \$28 million is proposed for the coming year, the actual funding level for fiscal year 1968. This is an increase of \$750,000 in the 1969 budget request and a decrease of \$2 million in the 1968 appropriation level.

This reduction below 1968 funds has been approved by the committee to conform to the general pattern of holding to the 1968 actual operating level, despite the large unmet demand throughout the Nation for water and waste disposal loans and grants. It seems unwise to the committee to spend increasing millions of dollars on pollution control through other Federal programs, while reducing funds under this heading which will cut down on the actual pollution of water supplies, village by village.

For salaries and expenses, an appropriation of \$57,641,000 is proposed in the bill for the coming fiscal year, a decrease of \$1,491,000 in the 1969 budget esti-

mate. The increase of \$1,653,000 over the 1968 appropriation is provided to meet salary increases which accrued in fiscal year 1968. In addition to the sum proposed, transfers from other accounts have been approved in the amounts recommended in the 1969 budget, which provides a total of \$60,391,000 available for this purpose in fiscal year 1969.

The size and scope of the various programs of the Farmers Home Administration have been increased tremendously in recent years. The number and size of loans and collections, both direct and insured, continue to increase. The need for increased supervision of these loans increases as credit becomes tighter, as costs of production increase, and as the net return from farming goes down. Also, the major responsibility for the rural community development function of the Department of Agriculture was assigned to this agency several years ago. New programs, such as water facilities loans and grants, and rural renewal activities have been added to the long list of programs administered by this organization.

While additional funds are needed to fully meet the responsibilities of this agency in the coming year, the committee is unable to include them in this bill under its very restricted approach to the 1969 budget.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938, to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

An appropriation of \$10,487,000, plus authority to use \$2,850,000 premium income, is recommended for the next fiscal year. This provides a total of \$13,337,000 which is the 1968 actual operating level. The increase of \$279,000 over the 1968 appropriation level is needed to cover 1968 Pay Act increases.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a Board of Directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is ex officio, a Director and Chairman of the Board. In addition, it has a bipartisan Advisory Board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939—15 U.S.C. 713a-4.

A total appropriation of \$3,188,112,500 is included in the bill to restore capital impairment incurred during fiscal years 1966 and 1967. Of this amount, \$350,467,000 is provided to liquidate contract authorization established in fiscal year 1968 to meet the total needs of the program.

The new obligational authority recommended is \$460,393,500 less than proposed in the 1969 budget. In view of testimony from the Administrator, Agricultural Stabilization and Conservation Service, which indicates that an unused balance of around \$2 billion will be on hand at the end of the 1969 fiscal year, this reduction seems entirely reasonable and appropriate.

For Public Law 480, the bill for next year includes a total of \$300 million, including \$100 million for long-term credit sales for dollars under title I and \$200 million for donations under title II. While this is a reduction of \$618,143,000 in the 1969 budget request, it should be noted that a total of \$1,172,857,000 will be available for these programs in fiscal year 1969, including \$342,600,000 due to

expected receipts from the sale of foreign currencies and loan repayments, \$530,257,000 of prior year unused balances which will be available in 1969, and \$300 million new moneys carried in this bill.

These programs contribute nothing to our balance-of-payments deficit. In fact, they probably add to such deficits since they have a tendency to substitute donations and sales for foreign currencies for the regular commercial dollar sales. Under today's conditions, with an urgent need for additional foreign exchange from sales for dollars, and with increasing financial pressures on our Federal budget, the committee feels that large expenditures under Public Law 480 are not justified—particularly when such expenditures are made at the expense of the various soil and water conservation programs needed to preserve the natural resources here in our own country.

My friends, we brought this bill here with all these things. We get all of this, including the food stamp, and school lunch programs, protection from pests and diseases, and preservation of our resources of less than 4 percent of our national budget. If we have ever heard of a bargain, we are getting it in this bill.

I know I can count on the support of those within sound of my voice, and I hope others will also realize as we proceed in this debate today that here is the key, not only to our well-being as persons, but to our economic well-being as a nation. We are dealing with a bill that costs the Government less than 4 percent of its total budget, which is a mighty good bargain.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the gentleman who preceded me in the well, the distinguished chairman of our subcommittee, has written a very fine report, and every Member should either read it or retain it in your research file for it does embody a great deal of good valuable information in it.

I think Members should know the guidelines which we followed in marking up this bill. We felt it essential to keep ourselves within the expenditure limitation that we imposed upon ourselves for the fiscal year 1968, or the expenditure level that prevailed in fiscal year 1967—not necessarily the lower of the two, but the one which our committee in its wisdom, or lack of it, felt was the most appropriate figure to follow.

Then, as the chairman has pointed out, in our overall reduction here from the budget of \$1,111,444,300, that is made up in the main of three principal items. The biggest one is \$618,000,000 in the reduction of Public Law 480 sales. The second biggest item is \$460,000,000 reduction in the restoration of the capital losses of CCC.

This is not a phony cut. With the testimony we have had before our committee, I am satisfied, and I think other members of the subcommittee are, that there will still be at the end of the fiscal year roughly \$2 billion cushion with which to

operate. Of course, those who are knowledgeable in this area know that on some occasions the Department can make as much as \$200 million in loans in any one day. It is a big operation. The CCC is capitalized at \$14.5 billion, and, of course, it has to do with the administering of the price support program for all these commodities and, of course, the sale and distribution abroad. So it is a big operation and it is a sizable cut, and they can live with it.

The other cut was in the \$425 million item in which we wiped out altogether the sales participation certificates. Last year that was approximately \$725 million. This year the administration requested \$425 million. We are all aware of the dialog we have had on the floor of the House on a number of bills with respect to the sales participation certificates. We just did away with them all, and I think that will be possibly the rule of thumb for the balance of the appropriations committees coming before us. I hope so.

On the increases, the significant one, the largest one, is \$120 million over the budget in the ACP program. These are those lime phosphate payments to individual farmers around the country. They can take down stone fences and plant trees with Federal assistance. They are conservation practices in which the individual farmer participates. As a matter of fact, the farmer antes up in a cost-sharing arrangement with the the Government.

A number of years ago, when a budget proposal was sent to us about \$100 million or \$150 million less than the going expenditure rate of about a quarter billion dollars, I offered an amendment to hold to that budget figure, and we have been rolled time and time again because, I believe, in some of those New England States, as an example, where they do not have an opportunity to participate much in the farm program, that is one of the areas where they do have an opportunity to participate.

We settled on the current fiscal year expenditure rate for this item at \$220 million.

The second biggest item of increase, \$40 million, is for the food stamp program. I should tell our city brothers that is full funding under the budget request for the food stamp program. As a matter of fact, with their carryover of unused funds from this year it will really reflect an increase in the food stamp plan of \$63 million in fiscal year 1969 over fiscal year 1968. There is certainly an adequate amount there, although in the total figure of \$225 million, we are retaining \$25 million in a reserve account to make absolutely sure that they clean up some of their bad practices in administering this program.

A third significant item of increase is an aggregate of about \$31 million on conservation practices, to which our chairman alluded in the course of his remarks.

Last is the \$29 million increase for meat inspection under the consumer aspects of the bill.

It is very interesting that when the bill was debated on the floor last year,

calling for additional meat inspectors, we made the prediction that the bill was going to cost in the neighborhood of some \$30 million within a year's time. We were going to be hiring a host of new inspectors, and for what we were not altogether sure, but the House got caught up in this and went along, so here we are in the first year anteing up an additional \$26 million increase for this meat inspection item.

Incidentally, that calls for 1,062 additional meat inspectors. It was kind of interesting, when we got to that point. I inquired as to just what was required to get a meat inspector.

As a matter of fact, if anyone believes that food is going to be so much better now, after we have enacted this law and provided many additional inspectors, the record discloses that to get an inspector on the line all he needs, really, is 30 days' training. Oh, they would like to have applicants, however, who have been accustomed to being around animals. I posed the question, "How would the family dog do?" As a matter of fact, it is quite conceivable that one could take any person who has been around the family dog for 2 years, take him off the street and offer him the starting salary, at grade 7, which is \$6,700 a year, and give him a 30-day training, and he will be on the line, in a very narrow area, called a meat inspector.

I am not so sure that all the things we do in haste, trying to protect the consumer from this and from that, result in our having done such a marvelous job, and we are paying for it in this bill.

Incidentally, on that food stamp plan for those increases that we are voting, it takes another 616 man-years that we have to provide in additional personnel, with again personnel costs necessary to administer that particular program. Even with those increases in personnel and the other amounts which we have held in line and even cut back, the department is still going to be required to cut back over 1,000 man-years in other activities in order to live within this bill that we have brought before you here today.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the gentleman from Illinois is making a very important statement. He pointed out something that not only the House should know, but the country as a whole should know, concerning the lack of qualifications needed for these new meat inspectors. I was under the impression when we passed this legislation that we were going to have qualified individuals inspecting our meat and that there was a real need for thorough and effective meat inspection. Now, we learn that individuals with only 30-days training will be put to work performing this needed service.

Under the statutes of some of our States, these people have to be veterinarians. The gentleman from Illinois just informed the House that the Department of Agriculture indicated that they are hiring persons off the street who are "accustomed" to being around

animals—and the gentleman has mentioned dogs as an example of animals—and within 30 days are supposed to be training them to go out and inspect meat. I wonder if the Department of Agriculture is not breaking faith with the Congress and the people in not now providing the public with the type of meat inspection we believed we were going to get at the time the legislation was enacted. Perhaps at the time we passed the meat inspection bill we should have spelled out specifically the qualifications necessary for meat inspectors so that we would now be getting what we bargained for.

Mr. MICHEL. Mr. Chairman, while the gentleman from Ohio was making the point, I happened to turn to the page in the hearings where we develop this a little further. Specifically, on the question of veterinarians, the total number of meat inspectors we will have in the year 1968 will be 4,556 and only 990 of these will actually be veterinarians or what you would consider to be first-rate, bona fide meat inspectors. The balance of them will have far less education and background. The point I think is buttressed by the record.

Mr. LATTA. The administration was getting headlines at the time this bill passed as it was to assure us "clean meat." The proponents really wanted to protect the public and assure them clean meat. Now they have come along after the publicity has been laid aside, and propose to fill these new inspector jobs with individuals with inadequate training to do the job which must be done.

Mr. MICHEL. The rate of pay, actually, compared to some of the starting schoolteachers' pay is pretty darn good.

Mr. LATTA. The gentleman mentioned \$6,700 as the starting salary. We recently passed legislation to raise the starting salary for teachers to \$7,000 and policemen and firemen to \$8,000. Can we conceivably expect to hire a competent meat inspector for \$6,700?

Mr. MICHEL. The gentleman makes a good point. Mr. Chairman, I would like to submit several tables at this point and yield to my colleagues for their presentations before asking questions.

CCC status of statutory borrowing authority as of Dec. 31, 1967¹

	Millions
Statutory borrowing authority----	\$14,500.0
Summary of borrowing authority in use:	
Borrowings from U.S. Treasury.	9,771.8
Obligations to redeem certificates of interest in loan pools:	
Certificates of interest \$1,736.7 and accrued interest \$20.7	1,757.4
Total borrowing authority in use-----	11,529.2
Net statutory borrowing authority available-----	2,970.8
Analysis of borrowing authority in use:	
Investment in price support:	
Outstanding loans-----	2,355.3
Inventories -----	997.0
Total investment in price support -----	3,352.3

Footnotes at end of table.

CCC status of statutory borrowing authority
as of Dec. 31, 1967¹—Continued

	Millions
Analysis of borrowing authority in use—Continued	
Unreimbursed realized losses:	
Fiscal year 1961.....	\$1,057.0
Fiscal year 1966.....	1,585.1
Fiscal year 1967.....	3,813.6
Subtotal, prior fiscal years.....	6,455.7
Fiscal year 1968.....	2,299.3
Total, unreimbursed realized losses.....	8,755.0
Investment in special activities (recoverable program costs not covered by appropriations to date):	
Military housing (Public Law 480).....	50.0
Military housing (barter and exchange).....	32.0
National Wool Act.....	1.3
Total investment in special activities.....	83.3
Investment in other activities:	
Cash.....	.2
Accounts and notes receivable.....	402.9
Fixed assets (net).....	29.6
Loan to Secretary of Agriculture.....	30.0
Storage facility and equipment loans.....	60.8
Wheat marketing certificates.....	231.5

CCC status of statutory borrowing authority
as of Dec. 31, 1967¹—Continued

	Millions
Analysis of borrowing authority in use—Continued	
Investment in other activities—Con.	
Other assets.....	\$103.7
Total investment in other activities.....	858.7
Total investment in price support, unreimbursed realized losses, special and other activities.....	13,049.3
Less: Financing other than by use of borrowing authority:	
Capital stock.....	100.0
Special activities:	
Advanced from funds appropriated for conservation programs, Sugar Act, and other programs.....	211.5
Amounts for deposit to the U.S. Treasury.....	1.1
Balance of appropriations to reimburse costs of special activities.....	931.2
Subtotal.....	1,143.8
Other trust and deposit liabilities.....	118.9
Other liabilities.....	157.4
Total financing other than by use of borrowing authority.....	1,520.1

CCC status of statutory borrowing authority
as of Dec. 31, 1967¹—Continued

as of Dec. 31, 1969—Continued

Millions

Analysis of borrowing authority in use—Continued

Total borrowing authority in use ----- \$11,529.2

¹ Vol. 1, p. 377, agriculture appropriation hearings.

STATUS OF BORROWING AUTHORITY AT END OF FISCAL YEARS 1967, 1968, AND 1969

[In millions of dollars]

	1967 actual	1968 estimate	1969 estimate
Use of borrowing authority:			
Investment in price support:			
Loans-----	1,503.1	2,043.0	1,873.1
Inventory-----	1,868.4	974.1	991.8
Total investment-----	3,361.5	3,017.1	2,864.9
Unreimbursed losses:			
1961-----	1,057.0	1,057.0	1,057.0
1966-----	2,984.9	1,585.2	-----
1967-----	3,813.6	3,813.6	1,750.3
1968-----	-----	3,465.3	3,465.3
1969-----	-----	-----	3,440.7
Total losses-----	7,855.5	9,921.1	9,713.3
Total above items-----	11,217.0	12,938.2	12,578.2
Capital stock-----	-100.0	-100.0	-100.0
Other (net)-----	21.6	116.0	58.4
Total in use-----	11,138.6	12,954.2	12,536.6
Borrowing authority-----	14,500.0	14,500.0	14,500.0
Balance available-----	3,361.4	1,545.8	1,963.4

LOSSES APPLICABLE TO APPROPRIATION "REIMBURSEMENT FOR NET REALIZED LOSSES"

[In millions of dollars]

	Total	Feed grains and products	Wheat and products	Upland cotton	Rice	Soybeans	Dairy products	Peanuts	Vegetable oils	All other commodities ¹
FISCAL YEAR 1964										
Program costs:										
Gain* or loss on sales.....	*34.3	*46.3	*240.3	176.7	*0.2	*0.9	71.3	6.8	*0.2	*1.2
Donations.....	638.0	23.8	124.2	—	13.8	—	466.6	—	4.0	5.6
Storage and handling.....	365.4	179.9	139.6	30.0	.9	.1	10.2	.9	.2	3.6
Transportation.....	178.1	43.9	110.6	4.4	.6	—	14.7	.1	.6	3.2
Commodity export payments.....	212.0	—	96.6	40.0	38.8	—	36.6	—	—	—
Acresage diversion payments.....	760.7	646.1	114.6	—	—	—	—	—	—	—
Price-support payments.....	461.6	382.4	79.2	—	—	—	—	—	—	—
Cotton equalization payments.....	62.6	—	—	62.6	—	—	—	—	—	—
Reseal loan storage payments.....	79.2	69.9	9.3	—	—	—	—	—	—	—
Other.....	32.3	*.2	*.5	1.2	—	.1	*.4	20.5	—	11.6
Total program costs.....	2,755.6	1,299.5	433.3	314.9	53.9	*.7	599.0	28.3	4.6	22.8
Nonprogram costs:										
Interest.....	412.1	—	—	—	—	—	—	—	—	—
Administrative and nonadministrative.....	57.8	—	—	—	—	—	—	—	—	—
Other.....	1.3	—	—	—	—	—	—	—	—	—
Total nonprogram costs.....	471.2	—	—	—	—	—	—	—	—	—
Total realized losses, 1964.....	3,226.8	—	—	—	—	—	—	—	—	—
FISCAL YEAR 1965										
Program costs:										
Gain* or loss on sales.....	65.5	*36.5	1.3	73.9	*.4	*1.5	16.9	14.1	*.1	*2.2
Donations.....	374.1	20.3	112.0	—	12.4	—	185.0	—	36.4	8.0
Storage and handling.....	311.0	169.5	97.9	33.2	.7	.2	4.5	.6	.4	4.0
Transportation.....	120.6	44.9	57.8	3.2	.5	—	10.0	.1	1.4	2.7
Commodity export payments.....	98.7	—	11.1	4.4	38.3	—	44.7	—	—	.2
Acresage diversion payments.....	946.6	914.1	32.5	—	—	—	—	—	—	—
Price support payments.....	333.3	282.1	—	51.2	—	—	—	—	—	—
Wheat marketing certificates (net).....	*106.6	—	*106.6	—	—	—	—	—	—	—
Cotton equalization payments ²	435.0	—	—	435.0	—	—	—	—	—	—
Reseal loan storage payments.....	82.0	72.7	8.7	—	—	.6	—	—	—	—
Other.....	15.3	*.2	*.5	.5	—	—	*.2	15.7	—	—
Total program costs.....	2,675.5	1,466.9	214.2	601.4	51.5	*.7	260.9	30.5	38.1	12.7
Nonprogram costs:										
Interest (net).....	303.7	—	—	—	—	—	—	—	—	—
Administrative and nonadministrative.....	59.9	—	—	—	—	—	—	—	—	—
Cost of research (Public Law 88-250).....	2.6	—	—	—	—	—	—	—	—	—
Other.....	6.3	—	—	—	—	—	—	—	—	—
Total nonprogram costs.....	372.5	—	—	—	—	—	—	—	—	—
Total realized losses, 1965.....	3,048.0	—	—	—	—	—	—	—	—	—

Footnotes at end of tables.

LOSSES APPLICABLE TO APPROPRIATION "REIMBURSEMENT FOR NET REALIZED LOSSES"—Continued

[In millions of dollars]

	Total	Feed grains and products	Wheat and products	Upland cotton	Rice	Soybeans	Dairy products	Peanuts	Vegetable oils	All other commodities
FISCAL YEAR 1966										
Program costs:										
Gain* or loss on sales.....	*38.2	*3.1	*103.7	48.9	*0.3		8.6	13.0	*0.1	*1.5
Donations.....	316.5	19.8	107.4		11.9		130.7		42.3	4.4
Storage and handling.....	234.7	118.8	67.4	42.5	.4		1.9	.6		3.1
Transportation.....	171.7	62.1	91.4	5.8	.7		6.1	.2	2.6	2.8
Commodity export payments.....	208.2		159.8		42.4	.4	3.8			1.8
Acreage diversion payments.....	996.1	841.6	38.1	116.4						
Price support payments.....	488.4	430.8		57.6						
Wheat marketing certificates (net).....	*160.0		*160.0							
Cotton equalization payments ²	332.2			332.2						
Reseal loan storage payments.....	68.5	58.0	10.5							
Other.....	29.7	*1.0	*.5	1.5			*.5	30.4	*.2	
Total program costs.....	2,647.8	1,527.0	210.4	604.9	55.1	.4	150.6	44.2	44.6	10.6
Nonprogram costs:										
Interest (net).....	278.1									
Administrative and nonadministrative.....	51.8									
Cost of research (Public Law 88-260).....	.9									
Other.....	6.3									
Total, nonprogram costs.....	337.1									
Total, realized losses, 1966.....	2,984.9									
FISCAL YEAR 1967										
Program costs:										
Gain* or loss on sales.....	311.3	*79.5	*3.7	386.6	*0.2	(3)	*2.2	13.6	*.7	*2.6
Donations.....	183.9	10.7	53.6		9.7		97.0	(5)	11.2	1.7
Storage and handling.....	150.6	76.5	30.0	37.2	.2		1.2	1.3		4.2
Transportation.....	117.7	55.6	49.4	3.0	.3		5.2	.1	1.6	2.5
Commodity export payments.....	167.7		107.7		22.0					38.0
Acreage diversion payments.....	872.3	541.8	27.1	303.4						
Price support payments.....	1,287.8	798.6		489.2						
Wheat marketing certificates (net).....	275.7		275.7							
Cotton equalization payments ²	20.4			20.4						
Reseal loan storage payments.....	44.2	37.3	6.9							
Other.....	53.3	*.4	.8	.3			*.2	28.8		24.0
Total program costs.....	3,484.9	1,440.6	547.5	1,240.1	32.0	(3)	101.0	43.8	12.1	67.8
Nonprogram costs:										
Interest (net).....	273.6									
Administrative and nonadministrative.....	55.1									
Total nonprogram costs.....	328.7									
Total realized losses, 1967.....	3,813.6									
FISCAL YEAR 1968 ESTIMATED										
Program costs:										
Gain* or loss on sales.....	400.9	*8.8	*10.8	401.4	*1		*1.9	18.2	*.1	3.0
Donations.....	252.8	7.2	29.1		10.1	1.0	201.6			3.8
Storage and handling.....	89.7	47.5	14.0	18.0	.1	.2	5.0	1.4	1.4	2.1
Transportation.....	36.6	4.8	18.6	2.0	.4		8.8	.1		1.9
Commodity export payments.....	72.7		40.0		2.0					30.7
Acreage diversion payments.....	888.2	634.2		254.0						
Price support payments.....	937.3	326.3		611.0						
Wheat marketing certificate (net).....	346.0		346.0							
Reseal loan storage payments.....	37.5		7.2							
Other.....	43.9	*.5						36.3		8.1
Total, program costs.....	3,105.6	1,041.0	444.1	1,286.4	12.5	1.2	213.5	56.0	1.3	49.6
Nonprogram costs:										
Interest (net).....	300.8									
Administrative and nonadministrative.....	54.9									
Cost of research (Public Law 88-250).....	3.7									
Other.....	.3									
Total, nonprogram costs.....	359.7									
Total, realized losses 1968 (estimate).....	3,465.3									
FISCAL YEAR 1969 ESTIMATED										
Program costs:										
Gain* or loss on sales.....	*21.6	*17.7	*57.0	37.0	*.3			18.9	*7.4	4.9
Donations.....	273.3	8.1	30.6		11.1		222.6			.9
Storage and handling.....	102.0	41.5	26.2	15.0	.2	10.0	6.1	1.4		1.6
Transportation.....	42.2	5.3	21.6	1.0	.4	2.0	9.4	.1	2.0	.4
Commodity export payments.....	66.0		38.0							28.0
Acreage diversion payments.....	905.0	790.0		115.0						
Price support payments.....	1,265.0	625.0		640.0						
Wheat marketing certificates (net).....	360.0		360.0							
Reseal loan storage payments.....	60.8	47.9	12.9							
Other.....	45.5							37.1		8.4
Total program costs.....	3,098.2	1,500.1	432.3	808.0	11.4	12.0	238.1	57.5	5.4	44.2
Nonprogram costs:										
Interest (net).....	282.1									
Administrative and nonadministrative.....	58.7									
Cost of research (Public Law 88-250).....	1.4									
Other.....	.3									
Total nonprogram costs.....	342.5									
Total realized losses 1969 estimate.....	3,440.7									

¹ Other commodities include rye, dry edible beans, flaxseed, honey, extra-long staple cotton, tung oil, linseed oil, rosin, turpentine, blended food products, tobacco, and strategic and critical materials.

² Cotton equalization payments were made to cotton handlers, mills, buyers, and exporters.

³ Less than \$50,000.

*Denotes gain.

GAIN OR LOSS ON SALES

[In millions of dollars]

Fiscal year	Total	Feed grains and products	Wheat and products	Upland cotton	Rice	Soybeans	Dairy products	Peanuts	Vegetable oils	All other commodities ¹
1964	*34.3	*46.3	*240.3	176.7	*0.2	*0.9	71.3	6.8	*0.2	*1.2
1965	65.5	*36.5	-1.3	73.9	*.4	*1.5	16.9	14.1	*.1	*2.2
1966	*38.2	*3.1	*103.7	48.9	*.3		8.6	13.0	*.1	*1.5
1967	311.3	*79.5	*3.7	386.6	*.2	(?)	*2.2	13.6	*.7	*2.6
1968 (estimate)	400.9	*8.8	*10.8	401.4	*.1		*1.9	18.2	*.1	3.0
1969 (estimate)	*21.6	*17.7	*57.0	37.0	*.3			18.9	*7.4	4.9
Total	683.6	*191.9	*414.2	1,124.5	*1.5	*2.4	92.7	84.6	*8.6	.4

¹ Other commodities include rye mixed feed, dry edible beans, flaxseed, honey, extra long staple cotton, tung oil, linseed oil, rosin, blended food products, tobacco, and strategic and critical materials.

² Less than \$50,000.

³ Denotes gain.

PAYMENTS TO FARMERS IN THE CONTINENTAL UNITED STATES, 1950-67

[In millions of dollars]

Year	Conservation program	Sugar Act	Wool program	Soil bank program	Feed grain program	Wheat program	Cotton	Total ¹	Year	Conservation program	Sugar Act	Wool program	Soil bank program	Feed grain program	Wheat program	Cotton	Total ¹
1950	246	37						283	1959	228	44	82	323				682
1951	246	40						286	1960	217	50	51	370				693
1952	242	33						275	1961	230	45	56	334	772	42		1,484
1953	181	32						213	1962	224	54	54	304	841	253		1,736
1954	217	40						257	1963	222	57	37	304	843	215		1,686
1955	188	41						229	1964	227	67	25	199	1,163	343	39	2,169
1956	220	37	54	243				554	1965	215	64	18	160	1,391	325	70	2,452
1957	230	32	53	700				1,016	1966	220	60	34	145	1,293	379	773	3,266
1958	214	44	14	815				1,089	1967 ²	226	62	29	129	865	371	932	3,071

¹ Includes Great Plains conservation payments since 1958: \$1,000,000 in 1958, \$5,000,000 in 1959, \$6,000,000 in 1960, 1961, 1962, \$8,000,000 in 1963, \$9,000,000 in 1964, 1965, \$11,000,000 in 1966, and \$12,000,000 in 1967.

² Includes \$6,000,000 under land-use adjustment program. Later years include cropland conservation and Appalachia programs.

³ Includes mainly the value of marketing certificates.

⁴ Includes \$51,000,000 under cropland adjustment program in 1966, and \$85,000,000 in 1967.

⁵ Preliminary.

Note: Details may not add to totals due to rounding. Does not include payments to farmers in Alaska, Hawaii, Puerto Rico, and Virgin Islands. Wool program does not include deductions for wool promotion program.

Source: Economic Research Service, USDA, Mar. 11, 1968.

(Mr. LATTA and Mr. MICHEL asked and were given permission to revise and extend their remarks.)

Mr. QUILLEN. Mr. Chairman, I am very much interested in the farmers of my district and throughout the country. They need help—certainly not more bureaucratic controls which are gradually eliminating the opportunities of the farmers of this country. I have always supported legislation for the benefit of our farmers and I am interested in all the programs so necessary to guarantee a better way of life.

But, today, I would like to concentrate and express my views on the program activities of the Soil Conservation Service and of the appropriation needs of that agency.

I am also interested in maintaining the funds for the agricultural stabilization conservation program, as well as the other programs, and would like to see these restored to what they should be.

As you probably know, upper east Tennessee is primarily a rural area. In the counties I represent, agriculture has been and continues to be very important. However, in the Tri-Cities area we are rapidly becoming industrialized. Other counties of my district are experiencing an accelerated growth of industry and other forms of nonagricultural expansion.

As a result of these developments, and because a large number of farms are small, many of our rural residents have changed from family-type farming to a system of industrial employment with part-time farming. These farmers grow cattle, tobacco, a few acres of corn, pas-

ture, hay, and home gardens. Money earned in factories is being spent on needed conservation practices for the farmland, better housing and, in general, a better standard of living.

The population in my district is rapidly increasing. In many places, competition for land to build homes, establish factories, develop subdivisions, roads, and lakes for recreation is very keen, and land prices are extremely high.

Undoubtedly these examples of growth and change in my congressional district are not unlike the patterns of development and modern trends throughout this great land of ours. Such developments are resulting in greatly increased demands on the technological skills and services of the Soil Conservation Service. The SCS has recently completed special soils interpretations for use in more than 20 economic development plans prepared by local planning commissions and professional consulting organizations. They also have an almost continuous operation in supplying special data required by the State planning commission. In my own district, the SCS people have recently prepared special information on lands for selected nonagricultural uses for the planning commissions of Johnson and Sullivan Counties.

The foregoing examples typify the expanding responsibilities and functions of the Soil Conservation Service. These have been added without additional appropriations, as have the SCS assignments for the farm-based recreation program, the national conservation needs inventory and radiological monitoring under our rural civil defense program.

In referring to some of the nonagricul-

tural duties of the Soil Conservation Service, I do not intend to detract one iota from the two great basic programs carried out through the soil conservation districts and the watershed districts of my State. It is imperative that the soil conservation districts continue fully manned and vigorous, especially under the present conditions of increased changes in land ownership and adjustments to new land uses. SCS needs additional technicians to deal with these changes and to cope with the mounting problem of sediment pollution of our streams and lakes. The soil conservation district supervisors, who contribute many days of their time and serve with no compensation, are exercising magnificent leadership and guidance in their communities. They have earned our Government's undiminished support of their efforts toward solving our complex land and water resource problems.

Our watershed district directors, working hand in hand with soil conservation district supervisors, are achieving lasting and meaningful control and management of our water resources and the related lands. They, too, serve without pay and exercise a vital influence on the economic growth of our communities.

In consonance with the foregoing, I wish to recommend to this Committee that, first, the conservation operation funds of the Soil Conservation Service for the 1969 budget year be restored to at least the 1967 level, if not increased; second, I also recommend that allocation of funds for Public Law 566 watershed planning and construction for the 1969 budget also be restored to at least a level of that in the 1967 budget.

I urge the passage of H.R. 16913, which embraces the school lunch program and many other fine provisions.

Mr. NATCHER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Chairman, I wish to commend the committee for approving and recommending the full amount requested for meat inspection.

I would like to mention this with respect to the quality of inspectors. The Department has always had lay inspectors working under veterinarians. There are not enough veterinarians in the United States for the purpose of carrying out the meat inspection law without lay helpers. If a State has nothing but veterinarians doing the inspecting, they are not doing a full job of inspecting because there are not enough of them. The Department uses lay people who work under the supervision of veterinarians. It is my estimation that the requested 1,000 new ones are necessary to carry out this most needed work and aid to the veterinarians.

Further, Mr. Chairman, permit me to shock the distinguished gentleman from Illinois in saying that this is only the beginning. In other words, in future years they will need 2,000 or 3,000 more.

Mr. Chairman, the American people have been bilked out of close to \$1 billion per year and that amount will increase over the years if we do not require adequate inspection and labeling. They have been bilked out of this amount of money by the sale of nonfederally inspected meat products which contains water, flour, foreign materials, animal skins, undesirable animal parts, and other less nutritious and on occasion deleterious products which the consumer thought was meat at the time they purchased it.

However, Mr. Chairman, by having contained in this bill this \$26 million for the next fiscal year and eventually, probably \$50 or \$60 million, the American consumer will be protected from being bilked out of an estimated \$1 billion through inadequately labeled and handled products. After all the consumers and the taxpayers are one and the same people. I think spending \$26 million to save \$1 billion represents the best investment the country could make. I want to commend the committee for putting into this bill the entire amount which was requested for this purpose so the law can be fully implemented.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Montana.

(Mr. BATTIN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, I cannot let the remarks of the gentleman from

Iowa [Mr. SMITH] go unanswered. One of those regulations under this Meat Inspection Act which they have promulgated right now would allow the advertisement of certain products as, for instance, "all-beef" wieners, which could contain 25 percent chicken but yet advertise to the effect that it is all beef and not require any label to show the actual content.

Does the gentleman feel that this is being fair with the American consumer under the bill which passed the House or which at least is now being considered and promulgated?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The new law and the regulations which are being promulgated require that the product be adequately labeled before it is permitted to be sold.

For instance, under the State laws, for example in the State of Montana, they could have had 75 percent flour instead of the meat product.

Mr. BATTIN. I am talking about the regulations that are being considered and has been passed upon by a very close vote.

Mr. SMITH of Iowa. Did you say "passed on"?

Mr. BATTIN. That which has been passed and recommended to the Department of Agriculture.

Mr. SMITH of Iowa. The gentleman is mistaken about that.

Mr. BATTIN. During the week of March 25, 1968, the Advisory Committee to the Secretary of Agriculture on Consumer Marketing and Meat Inspection under the Wholesome Meat Act met and by a vote of 7 to 5 with five members of the committee not voting, approved a recommendation that in all beef wieners that up to 25 percent of the material could be chicken without showing this on the label. Mr. Archie Wilson, of Montana, is a member of this committee and advised me of the result.

Mr. LANGEN. Mr. Chairman, the bill before us has been very eloquently and precisely explained to you by the distinguished chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], and the ranking member, the gentleman from Illinois [Mr. MICHEL]. They have covered in substantial detail the general provisions of the bill and its application to the problems of agriculture, as well as the great number of interests that are vested in this bill by the general public.

Let me recommend the committee report to every Member of this House, as well as to anyone who is interested in the future of agriculture and the many related agencies that are funded by this appropriation bill. The committee report describes in some detail many of the problems involved and, more important, sets forth explicitly and convincingly the great benefits that accrue to the entire populace from the efforts of American agriculture and the producers of food and fiber.

I want to discuss with you briefly some of the implications that are becoming

inherent in the Department of Agriculture and related agencies appropriation bill. As every year goes by, this bill bears a greater import and significance to the general public. It also typifies the effects of the fiscal crisis that confronts the Nation.

It is only during recent weeks that we have begun to realize the significance of the need for reductions in the total expenditure budget of this Nation and the complexity of effecting such reductions. It has become apparent to anyone who has directed some attention to our present economic status, whether in this country or in foreign countries, that we can no longer afford the luxury of ever-expanding deficits, and that our charge account is being questioned. Within recent weeks it has become known that foreign governments and other foreign interests have entertained ideas of discounting the American dollar, and our prestige as a world economic power has substantially deteriorated. Many have suggested that there is immediate need for us to get our fiscal house in order by substantial reduction, or elimination, of the continuing budget deficits, as well as the deficits in the balance of payments. The full impact of the fiscal mismanagement of our budget during recent years is reflected in this bill.

In compliance with the needs for budget reduction, the appropriations contained in this bill respond with substantial authority and are worthy of recognition. I call to the attention of the House, as has the chairman of the subcommittee, that it represents a 20-percent decrease in the 1969 budget as presented to the Congress, and a 21-percent reduction below the funds provided for 1968. By this appropriation bill, agriculture is making more than its full share of contribution toward a solution of the fiscal crisis. This is only typical of the generous manner in which agriculture has always responded to any and all of the crises that have confronted this Nation over the years, during both war and peace.

Your committee has done its best, under the most difficult of circumstances, to meet both the demands of the budget and the needs of agriculture in this bill. The experience of so doing gives cause for sincere concern, however, and raises some very serious questions relative to the approach to these problems as recommended in the administration's budget.

I have already mentioned the extent to which the public has, each year, a greater interest in these appropriations. This comes about because of expanded general public benefits from the continuing growth and addition of new programs. The committee report identifies the wealth of programs and services that are of benefit to the consuming public; such as the food stamp, school lunch, special milk, disease and pest control, regulation of commodity markets, operating and emergency credit, policing of packers and stockyards, soil and water conservation, crop reports, marketing services, and licensing and control of laboratory animals—to name a few of them. All of these programs respond to

the health and food needs of the public and provide services that are of general interest and benefit to everyone. In addition, there are a great number of long-range programs involving the conservation of our soil and water resources, together with research programs, that can provide quantity and quality foods for the future and an assurance that pests, insects, and diseases will not curtail our ability to produce.

In giving analysis, however, to the funding of this great variety of Government activity and services as administered by the Department of Agriculture, there are some rather serious consequences that follow. Let me cite a typical example. Congress, during recent years, has instigated the food stamp program, and during the past year has authorized a greatly expanded meat inspection program. Both of these programs have been enacted to satisfy the demands and the needs of all citizens. In the appropriation bill before you, as has already been pointed out, these programs require increases of \$26,880,500 for meat and poultry inspection, and \$40 million to expand the food stamp program. Because of the present requirements to limit expenditures and to hold the total expenditures of this bill below last year's expenditure levels, this of course can only mean that other expenditures will necessarily have to be cut back by an equal amount.

This is exactly what the administration's budget as presented to the Congress and the committee does. Principally affected were such items as Farmers Home Administration operating loans, watershed protection, flood prevention, Great Plains conservation program, and REA loans.

Because of the concern of the committee that conservation practices and watershed protection and flood prevention are so important to the future protection of natural resources, your committee has done its best to restore these funds to last year's levels when respective carryovers are added.

One of my chief concerns, however, relates specifically to Farmers Home Administration operating loans. It is to be remembered that there are a great number—13 to be exact—of different loan and grant programs that are administered by the Farmers Home Administration. These are as follows: Operating loans; farm ownership loans; emergency loans; water and waste-disposal systems; rural housing loans; forestry and grazing loans—insured loans; watershed loans; title III of Economic Opportunity Act loans to farmers with low incomes—(a) individuals, (b) cooperatives; resource conservation, and development loans—cooperation with SCS; recreation loans; rural renewal loans—small program in designated counties.

Let me express briefly my concerns as they apply to the operating loans. These are loans that have served farm operators in a most significant and excellent manner during the past several years. It should also be said that the farmers participating have likewise served the program well. These loans carry an interest rate at 5 percent, and the repayment record has been excellent. I believe that

the records would indicate that the losses have been substantially less than 1 percent.

Many of the farm operations today have become dependent on these loans for their regular operating expenses. They have become increasingly important as each year has gone by. With farm prices declining, and the parity ration now down to 73 percent, resulting in a drop of \$500 during 1967 in the net return per farm, these loans are now most necessary and in great demand. Many of our good, dependable farm operators who have been regular customers of FHA for operating loans each spring have now encountered great financial hardship. While their loans have been approved, they have not been funded because of the demands exceeding the funds available to FHA.

The lack of available moneys this year has been aggravated because even though the committee last year provided a total of \$300 million for operating loans, the Budget Bureau has seen fit to freeze \$25 million of this money. And no amount of persuasion up to this point has convinced them that these moneys could be, and should be, released. In view of that experience with last year's appropriation, it then becomes perfectly obvious that even greater hardships will be incurred in the coming fiscal year with a further reduction of \$25 million in the available amount of money, which is what was recommended in the budget.

Your committee seriously considered restoring \$50 million to this fund for the purpose of making available the same amount of money that the committee considered essential last year. However, in view of the action by the Budget Bureau, it seemed rather futile to do so because undoubtedly those moneys would have been frozen again. It is for this reason that your committee has seen fit to include, on page 4 of its report, in the next to the last paragraph, language which points out this problem most specifically. I hope the Bureau of the Budget may respond to the recommendation by the committee to review the loan needs for this program and advise the Congress of its findings.

A budget recommendation such as those we have just discussed can only serve to the complete detriment of American agriculture, for which Government must take the full responsibility. The continuous deficit spending program has given substantial impetus to inflation. With farmers being the largest purchaser of goods of any industry in the Nation, inflation adds substantially to their costs of operation. They must buy fuel, fertilizers, equipment, repairs, tires, and innumerable items that are essential to crop production. Knowing these facts, it then becomes obvious that even if the same farmers were to request loans for the exact same operations, they would need larger loans this year than has been necessary in past years. And so, of course, the total amount of money required would be greater. A reduction of \$50 million in the available funds for operating loans therefore becomes a real hardship to many operators and could

well mean the difference between the farm continuing to operate or another family that might be forced to move to the city. With the loss of more than 380,000 farms during the last 4 years, it would seem that we should have learned by now that we should not encourage any more such migration.

The real irony of this matter is that these hardships have been created because of the expansion of the other consumer service programs over which the farmer has no control.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I am happy to yield to my distinguished colleague, Mr. ANDREWS.

Mr. ANDREWS of North Dakota. Mr. Chairman, I thank the gentleman for yielding, and I would like to associate myself with the remarks of the distinguished gentleman from Minnesota on the problems facing our farmers, because of the unconscionable cuts made by the President's budget in farmers' ability to receive loans from the Farmers Home Administration.

Actually, there are several factors involved in this intolerable situation. It becomes a double disaster to the farmers today because these cuts are being made at the same time that the local banks in agricultural areas of America have been precluded, because of the tight money situation, from maintaining even their normal operating loans much less picking up loans the Farmers Home Administration has been making for quite some time.

So the situation regarding our farmers is even more critical at this particular point in time than what it would ordinarily be, and I again commend the gentleman on the fight that he has made in this regard.

Mr. LANGEN. I thank the gentleman for his kind and pertinent remarks.

The CHAIRMAN. The gentleman from Minnesota [Mr. LANGEN] has consumed 10 minutes.

Mr. MICHEL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. I thank the gentleman.

Mr. MICHEL. Will the gentleman yield for a moment?

Mr. LANGEN. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I want to also commend the gentleman for the statement he has made with respect to these operating loans. As a matter of fact, I do not believe I am breaching any confidence to say that in our first markup of the bill we added an additional \$50 million for that purpose, and then found out that, in adding up our total figures, there was no way of keeping within the guideposts which we had originally set out for ourselves, and had to come back to the budget figure. But I am just as sure as we are standing here today that there will have to be a supplemental request, or they will be out of business.

Mr. LANGEN. I thank my colleague for his very pertinent remarks, and he is just as correct as can be.

We did make the attempt to include \$50 million but then in adding up the

total amount of expenditures and having to try to meet the requirements of staying below a total which is acceptable in the present budget crisis, it became necessary to take them out again.

It is for this reason that I am making the point that it is because of the economic crisis that we are now faced with that we find agriculture in these further difficulties.

I do not think anyone would want to contemplate the eventual result to agricultural production were this policy and such reductions to continue for the next several years. It could have only one result—more farms going out of production because of a lack of available credit. The need for such credit is further emphasized by the fact that farm mortgages, because of declining prices and necessary increased investments, have increased by about 10 percent a year. With an increase last year of more than \$4 billion, farm mortgages have now reached the total of \$50 billion, which is an amount far greater than the total national budget was in 1951.

Another point of concern to future agricultural markets and total disposition of agricultural products is the reduced amount of money provided for the Public Law 480 program. While the available carryover of funds, together with appropriated moneys, should provide a program under titles I and II that is commensurate with that of last year and the diminished supplies of agricultural products available, it still has the effect of limiting the total food distribution to foreign countries in the immediate years ahead. Farm markets have been further depressed by the present international economic factors that have caused exports to drop and imports to increase during recent months. This is a particularly unfortunate circumstance for agriculture because it has over the years made a great contribution toward alleviating the balance-of-payments problem. As I recall the testimony before the committee last year, the agriculture import-export relationship was such that it made a more than \$500 million contribution to the plus side of the balance of payments. Again it seems that another one of the many commendable contributions that agriculture has made to the best interests of the entire Nation will now, because of economic factors over which farmers certainly have no control, be a detriment to them.

All of these factors surely do not present an encouraging economic picture to an agriculture that is already depressed. The appropriations provided in this bill, I am sure, do not bring any great hope or satisfaction to anyone who has an interest in some improvement in our agricultural economy. It shall not be my purpose at this time to review in detail the present overall economic hardships that have caused farmers throughout the Nation to register a multitude of complaints. It occurs to me, however, that with parity prices dropping another point to 73 percent, as reported by the Department on the 15th of April, that our Nation cannot afford any further rescission in agricultural prices.

This bill offers little or no improvement, and in its final reality may well serve to create further hardships and even lower prices. I have already stated that this bill ought to attract the attention of all of our citizens. The economic hardships presently confronting American farmers should also concern them. The Nation cannot afford to further expand consumer services programs at the expense of the economic wellbeing of agriculture and hope to continue to enjoy the luxury of being the best fed Nation in the world. To do so will eventually result in programs such as food stamps, meat inspection, school milk, and others, will soon find that a quality and quantity of food will not be sufficient to supply these programs. This can only create further hardships and more people throughout the Nation with inadequate diets.

The United States at the present time occupies the envied position of having within its possession the greatest potential for solution to the world's hunger problem. It would be further folly to lose this most desirable position, just as we have lost our economic strength in international monetary circles. This will surely happen unless the investment and purchasing power of agriculture is accommodated by minimum adequate prices.

To do this it is necessary that we first get our fiscal house in order, and then direct our immediate attention to any and all changes in programs and policies that will give the American public the assurance that agriculture will continue to serve them in the commendable manner that has been our great heritage over the years. This cannot be done if we continue to sacrifice our natural resources and future opportunities for the American farmer—as the administration's budget and this bill propose to do.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. HUNGATE].

(Mr. HUNGATE asked and was given permission to revise and extend his remarks.)

Mr. HUNGATE. Mr. Chairman, I am not a farmer. I am the traveling salesman's son who married the farmer's daughter. That is another story, but it would not be appropriate here.

I do want to support this farm bill and commend the Agriculture Appropriations Committee on both sides of the aisle for the fine job they have done in producing a very lean appropriation, one that is most necessary, and one that I hope the House will support.

Yesterday a few of you had the opportunity to hear the Economics Minister from Indonesia discuss the inflationary system they have there and the problems of feeding their people. In 1967, they had inflation of 650 percent. In 1967, they held it down to about 150 percent. One month this year they have seen it go up 40 percent. I think when we see these things we had better appreciate the job that is being done in our country by American agriculture. Some 6 or 7 percent of our people are providing enough food and fiber for all our country with

enough left over to provide funds resulting from exports to improve our balance-of-payments problem.

We also hear at this time a great deal about poverty. That is much before us at this time and deserves and earns our consideration. When we are considering poverty, people at the poverty level, we arbitrarily assign their income at under \$3,000 a year. I think you will find the figures show that 50 percent of those people live in rural areas, and I think you will find that 80 percent of those people are white. These facts need to be stated and restated, because the problem of poverty is not an urban rural problem. It is not a black-and-white problem; it is an American problem, and it is part of the problem that is a result of the divisiveness we find among ourselves in seeking to face it.

Those of us who are in the rural areas—and I have one of those districts that is rural—need to show the necessary responsibility, the concern for people in our cities, because it is in the cities that our sons, our brothers, and our daughters wind up. A recent survey showed that only one high school graduate out of 10, one boy out of 10, thought he could make a living in rural America when he became a man.

So the people who need decent housing in the cities, those who need decent education, and the people who need the good jobs are really our people. I have supported programs to help those conditions and will continue to do so.

It means nothing to provide them with the right to occupy good housing if we do not provide the funds with which to acquire it—the rent, or if we do not provide the adequate houses into which they may move, or if we do not provide them with good school systems. This costs money and we will have to provide taxes to pay for this. This is in the interest of all rural America and all urban America—all America. The problems facing urban America and rural America are the same.

If people cannot make their living on the farms, where will they go? They will go to the cities and increase the problems in the central city ghettos. The farmers do not organize quite as quickly, and there is not as much to burn, but if we are not to drive them to other areas, they will leave the farms and move to the cities, we must realize the need to provide an agricultural system and an appropriation whereby those people who are willing can stay and live in rural America, can make a decent living—can share in American prosperity.

If we live to see the day when these farmers leave the farms, we will not then be the best fed people in the world. That day will be gone. We will not then be the nation whose families are able to provide food at the lowest percent of family income of any country in the world. The suggestion is made as to how to solve some of our urban problems now and to find jobs in rural areas for the people in the ghetto areas. We will also have to provide for the needs of our people in the rural areas, if such programs are to be feasible.

Mr. Chairman, I strongly support the

statement of the committee members on this bill and urge its approval as reported by the committee.

Mr. Chairman, in its report on this bill the committee has emphasized the acute need in agriculture and in rural communities for those last-resort financing services carried on only through the Farmers Home Administration.

It is clear that except for other mandatory restraints imposed on the national budget in these times, substantially higher appropriations could be justified in the national interest.

Therefore, in light of the fact that this is a most austere budget for FHA farm operating credit, for distress housing credit in rural areas, and for the huge unmet demand for rural community water and sewer improvements—as well as for the great administrative responsibilities carried on by the Farmers Home Administration—we can do no less than support the amounts provided for in this bill.

Indeed, we hope that the Bureau of the Budget will give all due weight to the crisis of operating credit that now exists for the family farmer, as it responds to the committee's call for a restudy and report on letting more be done to fill the farm operating credit gap.

Denial of opportunity that drives people from rural area is part and parcel of the distress that grips so many of our cities. The constructive effects of these rural FHA programs reach deep into every city and work their benefits on problems that confront the Nation as a whole.

Forewarned as we are that amounts provided in this bill are not likely to meet the year's total needs, we must at the least insure these amounts for the most urgent and even desperate credit problems of the rural areas.

I wish to speak in support of the recommendations made by the Committee on Appropriations for programs of the Rural Electrification Administration. The bill provides \$304 million of new lending authority for rural electrification loans and \$120 million for rural telephone loans.

As the committee recognizes, this is a lean budget which will allow REA to meet only the critical nonpostponable loan needs of the rural electric and telephone systems for new services and improvements during the year. These amounts will be supplemented by carry-over funds in both programs.

The rural electric and telephone service organizations which borrow from REA are still far from accomplishment of the basic public objectives of these programs. These are, first, making service generally available on an area coverage basis; second, making service available in rural areas comparable in quality and cost to that offered people in urban communities; and third, making service available from sound, reliable, and permanent organizations which can offer assurance of future service comparable to what the city dweller enjoys.

Through the years, but particularly in recent years as the pace of technological development has quickened, electric and telephone service have played vital roles in the diversified economic development

of rural America. The availability of both services will be increasingly crucial as our people move toward a healthier rural-urban balance by creating new economic opportunities in rural areas.

Finally, I would remind my colleagues that the rural electric and telephone programs involve loans which are being repaid, often ahead of schedule. In approving the new loan authorities we shall be demonstrating our confidence in the rural electric and telephone service organizations and the contributions they can make to rural progress and the basic strength of the Nation.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Mr. Chairman, twice before I have proposed to this House that we take action to deny use of Federal funds for payment of salary or other disbursements to those who advocate disrespect for the law, abuse of men in uniform assigned to enforce the law, and those who seek to incite rioting, destruction of property, or other disrespect and abuse of those who seek to live in peace. Twice the House has agreed with me, and pending legislation has been amended to restrict payment of funds to those convicted of such actions.

Following the recent riots in Washington, I understand that at least one agency whose present appropriations contain the anti-riot rider, placed a notice to all employees on agency bulletin boards to advise any employees convicted of offenses during the riots of this restriction on their salaries.

The amendment I offer today, like the previous two, provides that no part of the funds appropriated under this act shall be used to provide payments, assistance, or services, in any form, with respect to any individual convicted in any Federal, State, or local court of competent jurisdiction of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned.

As I stated on the two previous occasions, no government can survive if it finances its own destruction.

Lawful protest strengthens us; lawlessness destroys us.

If we aid those who riot, Mr. Chairman, finance those intent on destroying law and order, by providing them with funds from the very Government they are bent on destroying, we are fueling the fires of that destruction.

There are more than enough good citizens, black and white, seeking employment with their Government, so that we do not have to pay salaries to those whose chief pastime is to kick America around while basking in the bonfires they set in our cities.

We have a new generation of ghetto residents which needs special attention and training in the virtues of good citizenship and the essence of obedience to law and order. When they see their parents looting and rioting, especially if their parents earn their living from the Federal Government, the chances of re-

sponsible citizenship in their future soars into total hopelessness.

Government employment can either be accepted as a privilege or it can be a sanctuary for hate mongers, seditionists and experts in rioting and looting. If the majority of Americans have a choice, that choice will be obvious. If the Congress of the United States reflects the wishes of the majority of Americans, it has no alternative but to deny Federal funds to those who seek to burn our cities, wreck their own families, destroy peace and order on our streets, and smirk at the taxpayers while doing it.

This Nation of people is a far better nation of people than the evidence now visible on our street corners, where every crackpot and mugger is invited to vent his spleen for TV cameras and microphones for domestic and international propaganda purposes. It is high time Congress accepts its responsibility in clearing up the fuzzy, distorted, and anamistic view of America we are getting today. It is particularly nauseating when some of the faces are fed at the taxpayers' trough.

I do not know of a single employee of the Department of Agriculture who was arrested for rioting or looting. I pray there were none. But neither do I believe there is a single loyal employee of Agriculture or any other Federal agency who would condone payment of Federal funds to rioters or looters or who would not welcome enactment of legislation to prevent it.

There were Federal employees involved in the looting in the District of Columbia, Mr. Chairman. When we attempt to determine how many, or whether or not their employment will continue, we are faced with a cloak of secrecy. Our only recourse is to act now to deny them payment, agency by agency, until not a single dime of Federal funds will reach those who defy the law by rioting, looting, and burning.

Mr. Chairman, I will offer this amendment to future appropriations bills. It is my hope that the Appropriations Committee will soon routinely include it as a part of each bill reported to this House for action. In the meantime, however, I shall be here on the floor whenever Federal moneys are being appropriated, ready to insure that not 1 cent of Federal funds will be freed to finance those who are determined to destroy us.

Mr. DUNCAN. Mr. Chairman, I rise this afternoon in support of H.R. 16913, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969.

My district is a versatile one being located in the heart of the great Tennessee Valley. Although the district is largely urban, we have thousands of large and small productive farms.

The growth and advancement of agriculture in this country runs parallel with the growth and progress of our great country.

Today a severe cost-squeeze continues for most farmers. Prices paid by farmers including interest, taxes and wages continue to rise while at the same time farm prices are below the postwar high prices.

The effect of these farm programs go beyond the immediate income benefits to the farmers. The stabilization of market supplies and prices of major farm products has stimulated farmers to adopt the newer technologies and improved practices, and has made it possible for farmers to obtain credit modernization and farm enlargement.

Farmers in no other country in the world produce so abundantly and receive such a small fraction of the consumer's income—only 5 percent of each dollar—for their products.

Gross farm income in 1967 was about 2 percent less than it was in 1966. Both receipts from marketing and Government payments were down slightly. Production expense, nevertheless, continued to move upward, increasing by about \$1 billion. As a result, realized net income of farm operators dropped from \$16.4 billion in 1966 to \$14.5 in 1967, a decline of 12 percent.

The per capita disposable income of farm people from all sources averaged \$1,692 less than in 1966. The per capita income of the farm population from all sources averaged about 61 percent of the income of nonfarm people in 1967.

Although H.R. 16913 is not a perfect bill, I nevertheless believe it absolutely necessary to insure the continuance of the production of needed food and services in this country. I therefore urge my colleague to approve this legislation today.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, I thank the gentleman for yielding.

I have asked for this time to direct an inquiry either to the chairman of the committee or our colleague from Illinois as to the funds which are made available in this bill for the continuation of the research on the cereal leaf beetle. As the gentleman knows, this has become quite a serious problem in the Michigan, Indiana, and Ohio areas in years past. I should like to have some assurance that we are pursuing this research in an adequate and proper manner.

Mr. MICHEL. I might respond to the gentleman by saying I am very concerned about the problem. The gentleman will recall that several years ago—and the maps will show it—the cereal leaf beetle was a threat only in a portion of the State of Michigan. It has now moved to Indiana and Ohio. The fear we all had that it might get around the Great Lakes and move out into the breadbasket of the country really seems to be coming about.

I pressed the representatives of the Department on this point, and particularly Dr. Irving. We engaged in a dialog about it. Apparently it has been found that the best way to combat this pest is with a parasite.

Such research has been going on abroad. Because of the cutback in foreign personnel it was appearing to look like that research was going to be curtailed.

This is spelled out in the record of the hearings on pages 228 and 229 of volume 2, where the gentleman might like to

pursue the matter further. We go into it in its entirety.

We want to make absolutely sure, if by no other way than this dialog and the legislative history, that action is taken. Dr. Irving said in response to my question it was the most pressing of their problems, so far as the control of pests is concerned, that if there is any limitation on funds for research, the department had better put the money where the priorities are, and this is surely where the priority is.

Mr. CHAMBERLAIN. Then, I understand there are adequate funds in this bill to fund continued research at an adequate level.

Mr. MICHEL. The gentleman from Illinois is as concerned about this as the gentleman from Michigan, and he is satisfied with what we have provided here, and in addition this dialog should buttress our case.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute.

May I say to the gentleman from Michigan, in addition to the statements made by the gentleman from Illinois, that all members of the committee are very much interested in this problem. We have \$1 million in reserve for special projects so that research is not limited to the amount of money or the amount of personnel which is allowed for this or any other subject. Wherever they might be able to use more personnel to make a breakthrough, this fund of \$1 million that we have in the reserve will be available to meet special and urgent needs. This is in addition to what was already well covered by my colleague from Illinois [Mr. MICHEL].

Mr. CHAMBERLAIN. If the gentleman would yield, I would like to commend the chairman and all of the members of the committee for their attention to this serious problem.

Mr. WHITTEN. It is a serious problem, and we recognize it.

Mr. Chairman, I now yield to the gentleman from Massachusetts [Mr. BURKE] such time as he may desire.

Mr. BURKE of Massachusetts. Mr. Chairman, I take the floor at this time to direct a question to the distinguished chairman of the subcommittee with relationship to the funds that have been cut out which were for the purposes of establishing watersheds.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the chairman.

Mr. WHITTEN. May I say to my colleague that the Bureau of the Budget did recommend substantial cuts in these programs. There was a freeze of some money during the current year. The committee attempted to and did restore the funds both for watershed programs of the Soil Conservation Service which would meet the need of which the gentleman is so well aware.

Mr. BURKE of Massachusetts. I want to thank the chairman. I know during the time of the floods up in my part of the country I directed many newspaper articles and other items of concern expressed by public officials up there with

regard to the curtailment of these funds. I am very grateful to the chairman, and I know that people in my section of the country are grateful to him as well as to the other members of the committee, and we wish to commend them for restoring these funds.

Mr. WHITTEN. We appreciate the gentleman's interest and his attention to this problem. As the record will show, he has repeatedly called this matter to our attention, and we took care of it.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. SMITH].

Mr. SMITH of Oklahoma. Mr. Chairman, I thank the gentleman from Illinois for yielding to me.

First of all, I would like to thank the chairman of the committee as well as the members of the committee for the work that they have done in producing this bill.

I would like to direct this question, if I may, to the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN]. I am referring to the remarks which appear on page 31 of the report with reference to research facilities so that we might understand the policy and the thinking of the committee in regard to the building of future research facilities in our conservation programs.

I wonder if the chairman would be so considerate to give me a brief explanation regarding this matter.

Mr. WHITTEN. May I say that the committee, through the years, has attempted to meet this need. The gentleman knows that in the present fiscal year the funds which were appropriated by the Congress in numerous instances were frozen. We have been more or less served notice that unless we hold appropriations in line for fiscal 1969 funds will be frozen again. In view of that and in view of all of the other pressing needs for Government funds at the present time, we have taken a go-slow approach on construction for new research facilities on the ground that under present conditions funds appropriated for construction would not be used anyway. However, by temporarily going along with this restriction, as we have, we do not mean that we have changed for future years, our policy of seeing to it that where facilities are urgently needed they are provided. We acknowledge the fiscal situation that we are up against at present, and for that reason we have not added to such construction items.

Mr. SMITH of Oklahoma. I thank the gentleman for yielding.

It is our understanding, then, that due to the present fiscal crisis, these projects have been deferred?

Mr. WHITTEN. They are deferred without prejudice. We have not tried to eliminate anything that is in the plans for the future.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SMITH of Oklahoma. On page 62 of the report—

Mr. WHITTEN. I should add to my earlier statement that we have not at-

tempted to stop the construction of those projects already underway.

Mr. SMITH of Oklahoma. I thank the distinguished gentleman for his remarks.

My second question is addressed to appropriations for the Federal crop insurance program. I am wondering if the \$2.8 million appropriation would be interpreted as being an operating loss on the part of the department for this purpose.

Mr. MICHEL. May I respond to the gentleman and say that I have advocated for the past several years that Federal crop insurance take more out of their premium income for their expenses rather than calling on the Congress to appropriate more and more money to make up the difference.

As I recall it, the budget called for the sum of \$12 million. We provide in this bill the sum of \$10.5 million and require \$2.9 million to come out of premium income.

Mr. SMITH of Oklahoma. I thank the gentleman for that response.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Iowa [Mr. MAYNE].

(Mr. MAYNE asked and was given permission to revise and extend his remarks.)

Mr. MAYNE. Mr. Chairman, I want to commend the Committee on Appropriations for a good job in eliminating much of the drastic cut which the administration's budget proposed for the Soil Conservation Service, particularly in the field of watershed protection. However, I feel impelled to express disappointment and concern that even under the committee bill there will be some reduction below last year's effort in these important areas.

I will go along on cuts for such practices as beautification, liming, tilling, and shrub and tree plantings. These can be picked up at a later date with little lost except time. However, the cuts which are being made in programs which actually result in holding soil and water in place are a tragic example of being pennywise and pound foolish. They are indeed false economy in the worst sense of the word. Soil and water lost today cannot be recovered tomorrow. We should be spending more money than this bill provides on such practices as contouring, terracing, grassed waterways and dams all of which improve the long-term capacity of agriculture to produce. Certainly any further cuts would be improvident in the extreme.

Mr. LANGEN. Mr. Chairman, if the gentleman from Iowa will yield, I would like to respond to the remarks just made by the gentleman.

Mr. MAYNE. I yield to the distinguished gentleman.

Mr. LANGEN. In reference to the cuts relating to watersheds, it is to be noted the amounts of money available will be about at the same level as last year, because of the carryovers they now have which will make up for the amount that does show up as a reduction in the report. So that actually these programs should go forward at about the same rate and at about the same pace as a year ago. And it was in view of those carryovers that

the committee arrived at the figures that we see listed in the committee report. May I compliment the gentleman from Iowa [Mr. MAYNE] for the excellent work he has done in behalf of the restoration of these funds. His statement to the committee during the hearings were most helpful.

Mr. PRICE of Texas. Mr. Chairman, I rise in support of the appropriations recommended by the committee for the Soil Conservation Service and the Agricultural conservation program.

These two programs which include the Great Plains conservation program and small watershed programs are of vital importance to an area such as the panhandle and western part of Texas. These areas depend on agriculture as the primary industry.

The economy of this vast area depends on farm and ranch income. The future growth and development of the whole area is dependent on the preservation and improvement of land and water resources.

Funds for these programs were not increased by the committee but only restored to levels that will permit the programs to be continued at about the 1968 levels including carryover funds. The budget cuts which were restored by the committee represented a cutback of more than 40 percent in comparison with cutbacks in budget estimates in similar resource development programs under the Corps of Engineers of only 3.6 percent and the Bureau of Reclamation of 7.7 percent.

The Texas State Soil and Water Conservation Board has approved 152 watershed applications in the State as feasible for planning under Public Law 556. Of these, 54 have been planned with Soil Conservation Service assistance, and approved for operations by the Congress and the executive branch of the Government. Five work plans have been approved by congressional committees this session, but have not been funded for operations. Two are undergoing final departmental review and three are being reviewed by the Governor of Texas and other Federal Departments. Five other work plans are in such advanced stages of planning that they will be completed and reviewed this fiscal year. Thus, 15 watershed work plans prepared in Texas under the Watershed Protection and Flood Prevention Act have been approved or will be ready for consideration by the Congress this session. Six other watersheds are being planned currently. Also 73 other watershed applications have been approved by the State soil and water conservation board, and these watersheds are awaiting planning assistance from the Service. Also, the board now has 12 applications which have not been approved pending a field examination. The number of watersheds awaiting planning assistance continues to increase each year. Texas SCS resources are not adequate to keep pace with this requested planning assistance, even with the State of Texas and local sponsoring subdivisions of State government furnishing about 56 percent of its total planning funds for Public Law 566 projects. The State of Texas last fiscal year furnished \$125,000, and local sponsor-

ing organizations furnished \$68,785 in planning funds. This year, Texas is furnishing \$150,000, and local organizations are furnishing approximately \$69,000.

The Bureau of the Budget has withdrawn approximately 50 percent of SCS allotted construction funds under the Small Watersheds Act and the Flood Control Act of 1944, and placed it in a budget reserve in an effort to decrease nondefense spending.

And as I said before the committee, progress in the Great Plains conservation program has increased each year in Texas since the program started and has demonstrated its ability to do the following things:

First, assist small low-income farmers to make maximum use of their resources thus improving and stabilizing farm income;

Second, accelerate land treatment of critical sediment and wind erosion areas;

Third, reduce maintenance cost of public utilities, businesses, et cetera, and reduce pollution of water and air;

Fourth, stimulate local economy, local pride and confidence in conservation program objectives; and

Fifth, make rural areas more attractive places in which to live and encourage people to stay in the country or to move back to the country.

I feel that these five accomplishments of the Great Plains conservation program fully meet an urgent demand for rural improvement by creating new jobs, improving living standards of low-income groups, stopping migration of rural people to urban areas, stimulating local economy, and reducing pollution of our air and water.

Farm income last year was down from the year before by \$1.9 billion while farm production expenses increased by \$1.1 billion. What other industry could survive a drop of 11.5 percent in income in times like these? And the only way many farmers and ranchers have survived is by going deeper into debt. In fact, farm debt has increased by \$20 billion during the past 6 years—up by 90 percent. Interest rates at record highs jumped carrying charges on borrowed money by \$1.2 billion. This story could go on and on, real estate taxes up and up, a 31-percent increase in production costs since 1960.

The Secretary of Agriculture and many others are now supporting new programs to stop further migration of our farmers to the overcrowded and riot-torn cities. So let us not further penalize those who are still trying to make a living from the land and who are furnishing food and fiber for the Nation at bargain rates when compared with other prices.

These are worthwhile programs. They are long-range programs that cannot be turned on and off. They are programs designed to preserve and improve our land and water resources for future generations. They should not be cut.

Mr. WHITTEN. Mr. Chairman, we have no further requests for time on this side.

Mr. LANGEN. Mr. Chairman, I yield

3 minutes to the gentleman from Iowa [Mr. KYL].

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to direct a question to the chairman of the committee.

The amount of money in what we might call the sewer and water programs for small rural communities is actually a little larger in this bill today, so far as grants are concerned; is that a correct statement?

Mr. WHITTEN. That is correct.

Mr. KYL. The amount which is included in loans for the same program is about at the same level as the actual spending for last year after the freeze was applied; is that correct?

Mr. WHITTEN. That is correct.

Mr. KYL. There is also a third matter in connection with this subject matter, a Treasury ruling was applied which would not permit a great number of projects to go forward because of the tax-free municipal bonds that were involved.

Can the gentleman state whether or not this House is considering at this time any legislation such as is pending in the other body which would in effect unfreeze available funds which have been held up because of that Treasury Department philosophy?

Mr. WHITTEN. I am not in a position to speak of my own knowledge. I have been quite disturbed about the decision of the Internal Revenue Service.

I have had the subject up three or four times not only with the Internal Revenue Service, but also with the Attorney General, with various others, with the chairman of the Committee on Ways and Means, as well as the chairman of the Committee on Finance on the Senate side.

Following that, I have had a number of statements from the Internal Revenue Service to the effect that this whole matter was being reviewed and that a final decision had not as yet been reached. In the meantime, according to my understanding, notice was given in the Federal Register of this change in attitude by the Internal Revenue Service.

So, to the best of my knowledge, not being on the committee that would deal with the subject, it is being considered by the appropriate committees. It further will be reconsidered, as I understand it, by the Internal Revenue Service.

And, as I say, my information comes from my own correspondence and discussions with various interested parties who have a direct relationship with the problem, much more so than I have in my capacity.

Mr. KYL. Mr. Chairman, I would like to make this statement to the chairman of the committee:

The Federal Government has broken faith in this program with a lot of little communities around the country who were urged to make applications. As a matter of fact, today there are probably more new applications than will be taken care of by the appropriations that we make here, and I would hope that every

consideration would be given by the committee in trying to catch up with the demand that was actually created by the Government, and in which applications we now find a great deal of delinquency because we do not appropriate sufficient funds to take care of them.

Mr. WHITTEN. May I say to the gentleman from Iowa that there are many places in this bill where I wish the figures were higher. But I do not believe there is any area in the bill that I would like to see increased more than the funds the gentleman is discussing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

May I say that it would appear foolish for the Federal Government to spend as much money as they are in trying to provide jobs in certain areas, and through this change in its decision on bonds to cut out more jobs than they could hope to provide through other types of legislation. Under their action, they have prevented the expansion of plants and factories.

May I say the present budget carries some \$300 million in connection with pollution. It would be a whole lot better if loans were made available so that pollution might be stopped at the starting points.

So I am in thorough accord with the gentleman's feeling about it. But this committee was working under limitations—not imposed by us—but which a majority of us at least felt that we had to yield to, or else the funds would be frozen.

So this is the highest figure that we thought we could get by with. I assure the gentleman that no one is more interested in this than I am.

Mr. LANGEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. TALCOTT].

Mr. TALCOTT. Mr. Chairman, I have asked for this time to ask the chairman of the Agriculture Subcommittee on Appropriations a question.

I have a question to ask the gentleman from Mississippi.

On page 23 in the report it calls attention to man's waste of his natural resources.

On page 71 there is an item for economic research, salaries and expenses, which is up \$368,000 this year.

Today a constituent of mine sent to me this envelope which I hold in my hand. It is a heavy duty—that is it is heavy weight, legal size, 10-by-15-inch envelope and it contains a small report 8 by 11 inches. It is a self-mailer, by the way, and it has a place for the address and everything on it.

It was put in here to ask the question whether or not there will be sufficient wood pulp left in America or any place else to sustain this kind of mailing by the Department of Agriculture. The postmaster apparently complained because of such a heavy and big envelope for this kind of report which was a report for the farmer, by the way, because the retail stores sales went up 7 percent but like the rest of us the farmers went up only 2.5 percent.

But he asks if this is not too heavy a

burden on the taxpayers and too heavy a burden on the postal carrier and the woodpulp producers in America.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute to answer the gentleman.

As I understand, the gentleman has asked me a question.

Mr. TALCOTT. I would just like to know if you agree with my constituent.

Mr. WHITTEN. I feel as the gentleman does that there has been the use of an envelope which is far too large. Certainly, I can see how the gentleman's constituent would be critical. When it comes to cutting the budget for agriculture, they have seen the opportunity to make a point. But on much of the correspondence we all get, it is hard to satisfy the senders. But I can easily agree with him on what he is getting at.

Mr. LANGEN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. SCHERLE].

Mr. SCHERLE. If I may ask the gentleman from Mississippi [Mr. WHITTEN] a question. I notice on page 40, the statistical reporting service was endowed with an additional appropriation for the fiscal year 1969. I think it is quite apparent to the Members of the House that the statistical reporting service as far as we in agriculture are concerned have done a mighty poor job. The erroneous estimates that have come out from the USDA time after time have cost the farmers and the people in agriculture a great deal of money. Some of the estimates have been utterly fantastic.

I wonder if during the hearings the committee saw fit to ask that the reporting service under the USDA try to renovate their method and make it more current and modern, to the extent that we would have some reliability and faith so far as this service is concerned.

Mr. WHITTEN. This has been a subject, I may say to my colleague, that has bothered the committee through the years. We have increased the funds regularly until we ran into the problem that we have this year and circumstances required us to try to get along with what we have had. Our committee urged that they make more use of people whose business it is to gather these statistics.

A few years ago this procedure was handled, as the gentleman will recall, by sending out letters to certain individuals on a key list and just relying on voluntary reporting by such individuals. But in recent years there has been a further request made of county agents and those actually engaged in agriculture, so as to try to be more accurate. We have urged them from time to time to try to get further studies and get them from someone whose business it is, rather than merely relying on the voluntary reports.

Mr. SCHERLE. I am happy to hear the gentleman make that recommendation, because it has been thought by we in agriculture for many years that the person most capable for these estimates would be the county extension agent, and I would certainly hope that some time in the future additional consideration would be given to implement the authorization of this man in this field to

help make these estimates. I thank the chairman.

Mr. WHITTEN. The committee agrees with you completely.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GRAY. Mr. Chairman, when the Wholesome Meat Act of 1967 was being debated by the House during the first session of this Congress, there were some who expressed doubt and reservations about the Federal-State cooperation provisions of the bill.

I am happy to report today that some 4 months after the passage of the Wholesome Meat Act, the U.S. Department of Agriculture's Consumer and Marketing Service has completed cooperative meat inspection agreements with four States—New York, California, Illinois, and Hawaii. I am informed that agreements with several other States will be completed in the near future.

Under these agreements each of the States will have up to 2 years—or 3 if significant progress is being made—to establish a meat inspection program at least equal to that of the Federal Government. In addition to providing up to half the cost of these State programs, the Department of Agriculture will also be providing technical and laboratory assistance to the States and helping to train State inspection personnel.

Each of the States will operate its own inspection program for red meats which are sold or shipped within State boundaries. The State programs will be conducted under each State's own inspection laws and regulations. The U.S. Meat Inspection Service, of course, will continue to inspect meat processed in plants that sell products across State lines or in foreign commerce.

Before these Federal-State cooperative agreements were signed, both State and Federal personnel surveyed packing plants and inspection procedures in each of the States, determined how current inspection programs could be improved, and estimated the costs of carrying out the improvements.

While we are still a long way from achieving the ultimate goal of the Wholesome Meat Act of 1967, there can no longer be any doubt that we are well on the way toward establishing a single minimum standard of wholesomeness for the Nation's meat supply—whether federally or State inspected.

Mr. VIGORITO. Mr. Chairman, one of the great unmet needs in this country today is to find a way to enable farmers to gain a fair share of the fruits of their outstanding record of production. Farmers have a strong desire to do this through their own efforts, and I think the rest of the country would prefer it that way, too.

Group action—through farmer-owned cooperatives—provides a means by which farmers can help themselves. We have an agency within the Department of Agriculture which directly assists farmer self-help efforts. The Farmer Cooperative Service, though operating on a modest budget, renders extremely valuable service in the field of research, education, and technical assistance. It could

do much more and stands ready to do so if granted the funds which have been approved by the Bureau of the Budget.

My concern here is that the increase requested by the Farmer Cooperative Service has been slashed from the overall agricultural budget at a time when we are seeking ways to reduce the degree of farmer dependence on Federal aid. I believe it is poor economics to deny a modest budget increase for the agency whose sole purpose is to enable farmers to stand on their own feet.

Mr. WYATT. Mr. Chairman, we are continuously urging that Federal spending be cut. Many of us have been urging a thorough reevaluation of priorities in spending. All this to attempt to cut our huge deficit, to balance our budget, or to bring it closer into balance, and to restore confidence in the dollar abroad at a time when this confidence is so desperately needed if we are to stave off fiscal disaster.

This afternoon, we have the opportunity to take meaningful action in this direction. The farm programs have grown to their present position by legislative laxness and by the constant pressures of the large farmers. No longer is the small family farmer much encouraged or, in fact, helped by the Federal Government. We have reached the point where most farmers in my district would prefer that many of these farm programs be abolished.

It is incredible that the Federal Government should be annually paying nine individual recipients over \$1 million each, that we should be paying 27 recipients over \$500,000 each, and that we should be paying over 5,000 recipients over \$25,000 each, in every case, for just 1 year. Yet, that is what we propose to do in this agricultural appropriations bill.

I strongly support the Findley amendment and urge the House to do likewise. It would limit the amount which could be paid under a variety of Federal Government farm programs to \$10,000 each. Surely, this is enough. Let us get out of this business of subsidies to the huge corporate farms, and let us limit our aid at this time to the small family farm. We will save our taxpayers \$500,000,000 in the process.

Mrs. SULLIVAN. Mr. Chairman, I have not had an opportunity to study H.R. 16913, the Department of Agriculture appropriation bill which was just introduced in the House yesterday along with the committee report. Since this bill proposes the appropriation of nearly \$6 billion for a great many programs of Government in which I am interested, I can only hope that sufficient attention has been given by the Committee on Appropriations to the needs of urban consumers, to the needs of the schoolchildren, to the needs of the family farmers, and to all others with a very vital stake in this huge appropriation bill.

If there were more time in which to go over all of the items in the bill, I would certainly try to satisfy myself on all of these points. I have been going through the committee report and I am pleased that the committee made a particular

point of emphasizing the heavy responsibilities of the Department of Agriculture in protecting the health of the American people—through meat and poultry inspection, pesticides regulation, the school lunch program, the school milk program, the school breakfast program, nutrition research, disease control, and many, many other things, including the assurance of adequate supplies of food for the American people.

In the limited time available since the committee acted yesterday, I have tried to make sure that the one program of the Department for which I have had the most responsibility as a Member of Congress—the food stamp program—would be adequately funded. I am happy to acknowledge that the committee has recommended for the food stamp program in the coming fiscal year every cent which Congress could legally appropriate for the program under existing law.

FULL BUDGET AMOUNT RECOMMENDED

The ceiling in the authorization law is \$225 million. That is the amount provided for in this appropriation bill. It represents an increase of \$40 million over the amount available in the current fiscal year.

Each year, when we have appropriated funds for the food stamp program, some Members have asked critically why the amount for this program is always increasing. The answer, of course, is that, since the food stamp program began in 1961 as a very small pilot project operation in only eight counties in the country, its success in helping to assure good, nutritious, adequate diets for low-income families, by utilizing the existing channels of trade, has increasingly stimulated the States and localities to request participation in the program. At this point, nearly 1,000 counties are participating and an additional 389 counties have been designated for inclusion in the program. Naturally, a program which is going into more and more areas of the country to help low-income families eat properly is going to cost more than a program which is not expanding.

According to the information at page 579 of part 2 of the four volumes of hearings by the Whitten subcommittee on the Department of Agriculture appropriation bill, it costs the Government an average of \$4.39 per person per month to hand out free food—surplus commodities—under the direct distribution program, compared to a cost of \$6.20 per month per person for those on the food stamp program. A county or city has either one program or the other. The food stamp program costs the Federal Government \$1.81 more per person per month than the other program, and the difference is the difference between night and day.

Under direct distribution, you merely hand out whatever limited foods are in surplus, and it is impossible for any family to enjoy a well-rounded diet, or to avoid malnutrition, by depending upon these foods. Yet many families do try to exist "on the commodities." On the other hand, not only the money provided by the Federal Government, but the very substantial amounts each family

contributes out of its own resources for participation in the food stamp program, together go to the purchase of an adequate diet.

MORE FUNDS WILL BE NEEDED

This appropriation bill includes the full budget amount presently authorized under law for the food stamp program for the coming fiscal year, but it will not be enough. I think the Members should all realize that fact. In the coming weeks, we will hear a great deal about starving people in the United States. We know that there are many, many people not getting enough to eat. These are not, however, people who are participating in the food stamp program. In those areas where the food stamp program is operating, thousands of families which are eligible for participation have not come into the program. From my own experience with the program in St. Louis, I can say that one of the greatest reasons for nonparticipation among eligible families is lack of an understanding of how the program operates. They say they cannot afford to participate. Very often, however, they have never bothered to find out how to go about participating, and are basing their decision not to participate on what they understand it might cost them, based on the experiences of other families with altogether different income and expense situations.

The food stamp program is not an easy one to administer. You must almost take some of these families by the hand and patiently explain that for the amount of money they normally spend for food, they can enjoy a complete and well-rounded diet. The food is not free, however. The law requires that recipients of the food stamps may not reduce their own normal expenditures for food. It would be a simple matter to transform this into a free food program, as is frequently demanded, but instead of having the Government pay, on the average, one-third of the cost of assuring an adequate diet for poor people, with the recipients themselves paying the other two-thirds, as is now the case, you would be tripling the present program cost for the same number of participants. The net effect would be to give poor people their food free—all the food they need for an adequate diet—so that they could spend for other things the money they now spend for food. This was certainly not the intent of the food stamp program.

Nevertheless, as I said, the funds appropriated in this bill for the food stamp program will not be adequate. The President has asked for the passage of legislation to increase the authorization from the present ceiling of \$225 to \$245 million for the coming fiscal year. I introduced such a bill earlier this year and also one to eliminate the ceiling on appropriations so that the Congress each year could appropriate whatever amount it considered necessary or desirable for operation of the food stamp program. No action has been taken as yet in the Committee on Agriculture to move that legislation. In the meantime, numerous areas of the country which have been designated for inclusion in the food stamp program will not be able to come

into it. I shall have more to say on this in the near future. We must pass a new authorization bill in this session in order to permit any significant increase in food stamp participation.

It is important that the Members of the House of Representatives, and particularly the members of the Committee on Agriculture, are fully aware of the fact that new food stamp legislation will have to be passed this year to make possible the expansion in the program announced last December. This has nothing to do with the demands we will be hearing for a free food stamp program. It has no relation whatsoever to the program of the poor people's campaign. Yet, the longer we delay taking up legislation to increase the authorization for food stamp appropriations—legislation we must pass in any event—the more it will appear when we do take it up that we are doing so under pressures and threats and mass marches on Washington. I cannot emphasize this point too strongly.

In the meantime, all of us who are concerned over the plight of the poor—over the fact of existence of hunger and malnutrition in this country—and we know that they do exist—must impress upon our State and local welfare authorities the urgency of making existing food stamp programs more effective in reaching all of the poor people who are eligible to participate. For the very, very poor, it requires only 50 cents per person per month to obtain sufficient food stamps to purchase enough food for a month—an adequate diet for a whole month. If there is in this country a family which is now spending less than 50 cents a month per person for food, I would be frankly amazed. I do not think any such family exists in the United States. If there is such a family, or any such families, surely—if the county welfare department will not help it to scrape together this small amount of money—the Salvation Army or the churches or the antipoverty agencies or CARE or even private citizens will come forward with the necessary 50 cents per person per month to enable such families to eat decently in a country which can produce food in such vast abundance.

In some States, the purchase requirement for food stamps may be unnecessarily rigid. We encountered that problem in Missouri when the St. Louis food stamp project was initiated 5 years ago. We are constantly reviewing the purchase requirements to make sure that families which should participate can afford to do so while still meeting their required expenses for shelter, medical care, and other necessities. The churches and the settlement houses are deeply involved in this problem and constantly working for improvement in the food stamp machinery. The good people on the local level have an obligation to help make the program work. They must be involved personally. It cannot run properly on the basis of directives out of Washington and the State welfare agency alone.

ABUSES IN THE PROGRAM

In a program of this scope, with millions of participants receiving coupons which are the same as money in the gro-

cery store, and with many thousands of stores accepting those coupons as money, it is inevitable that some people will cheat and that some stores will break the law. The hearings of the Whitten subcommittee refer to a number of such cases. It is my understanding that these cases were uncovered by the Department of Agriculture's own investigators. This investigative work must be continued and expanded. It is not fair to the taxpayers or to the food stamp participants themselves to countenance cheating by any of the recipients or by any of the participating stores. This program is too useful to have it jeopardized by criminal elements violating the law. In this connection, the courts must be diligent in punishing willful violations. The Justice Department is obligated to present its prosecutions in such manner that the judges recognize the seriousness of major violations.

I am pleased to note that most of the violations uncovered have been of such minor or technical nature that all that was required was a warning to the store or individual to be more careful in the handling of the stamps. But any storekeeper who accepts the stamps for purchases other than food, or who redeems them in cash which can then be used illegally for other purposes, must recognize the fact—must be made to recognize the fact—that he is defrauding the Government of the United States and the taxpayers of the United States and is contributing to the destruction of a very worthwhile self-help program which is of great benefit to the food industry as well as to our needy.

The hearings refer to an incident in Philadelphia where an individual purportedly acting as agent for 969 recipients—presumably shut-ins, invalids, and older people who could not readily go to the food stamp sales offices to obtain their monthly allotments of stamps, and authorized him to buy the stamps for them—allegedly converted the stamps into cash, obtaining \$53,000 for stamps purchased for \$36,000. The Department of Agriculture advises me that a retailer involved in this illegal operation was indicated on the basis of information supplied by the Pennsylvania Department of Public Assistance. I think all of us have a right to assurance that if the facts are as indicated, the person involved is punished severely enough to discourage similar frauds from occurring.

From the time this program went into effect under the standards laid down in the Food Stamp Act of 1964, 290 retail establishments have been disqualified from participation for periods ranging from 30 days to 1 year. In a low-income neighborhood, disqualification from participation in the food stamp program virtually puts a retailer out of business for the period of the disqualification.

During 1967, there were 1,201 investigations of retailers in which final determinations were made of the degree of violation or compliance. In 37 percent of the cases, the retailers were completely cleared with no indication of any violations, and in another 48 percent, the violations were of such minor nature

that no further action was necessary after a warning letter or a visit by field personnel to explain how the violations can be avoided. So 85 percent of the firms actually investigated, on the basis of complaints or indications of possible or probable violations revealed no significant violations, and only 15 percent of those actually suspected of violations warranted some punishment.

I should stress that this is not 15 percent of the stores participating, or 15 percent of a random sample. I should further stress that there were 72,334 food concerns participating in the food stamp program during 1967. So the level of significant violations is a very tiny percentage of all the stores and wholesalers participating.

WHAT IS THE PROGRAM DOING FOR POOR PEOPLE?

Mr. Chairman, I have gone into a great deal of detail in these remarks about the food stamp program because I want the Members of the House to be aware of the fact that we need additional legislation this year in order to expand the program just to include those localities already designated for inclusion in the program.

The Committee on Agriculture has reluctantly recommended food stamp legislation on three occasions since 1959, but it has never been very strong for the idea. We had a real battle on the House floor in 1964 in passing the basic law now on the books, but we got it through only by tying this issue into a package which also included a wheat-cotton bill. Last year, we went through another grueling battle in the House to continue the food stamp program by authorizing appropriations for this year and the forthcoming fiscal year. The authorization bill passed last year for the coming fiscal year was not adequate. Those Members who desire to have the food stamp program introduced in their districts for the first time, or expanded into additional localities in their districts, will certainly want to make sure that the necessary legislation is passed to permit additional funds to be appropriated for the program.

The gentleman from Mississippi [Mr. WHITTEN] and his subcommittee of the House Committee on Appropriations have included in this appropriation bill today every cent which Congress under present law can appropriate for the food stamp program in the 1969 fiscal year which begins this coming July 1. The Whitten subcommittee and the full Committee on Appropriations have gone as far as they can go in this bill in appropriating money for food stamps. It is now up to the Committee on Agriculture. That committee, I believe, is now engaged in the consideration of legislation to extend the 1964 wheat-cotton act, which depended for enactment 4 years ago on the votes of many of us from urban areas of the country.

Those of us who have seen the food stamp program in operation in our cities have been deeply impressed by the effectiveness of the program in enabling needy families to enjoy the American standard of living at the dinner table. The children are doing better in school as a result of eating properly. Nutritional standards have improved markedly. This

program can outlaw hunger in this country if properly administered on the State and local level and if all of us concerned about the plight of the poor make sure it is not strangled in bureaucracy or by regulations which are too rigid. Despite shortcomings which exist in even the best of programs—and this is one of the best—the fact is that it works. But it can be improved.

I have received many letters from constituents participating in the food stamp program in St. Louis, and nearly all of them are enthusiastic about it. They would, of course, like to be able to buy the stamps for less money each month, in order to have more funds to spend for other things, but generally they are willing to pay the required charges for remaining in the program. It has meant a big change in the kind of foods these families can enjoy and has brought about a much greater sense of well-being in families which previously lived on the edge of hunger.

Similar benefits can be extended to every poor family in every part of this country if we let this program grow and expand along the lines we intended in passing the Food Stamp Act of 1964.

Mr. SCHEUER. Mr. Chairman, although I can understand the committee's concern for holding the line on Federal expenditures wherever possible, I question the wisdom of their action in cutting the request for the school feeding programs.

I cannot understand the reductions in the requests for funding of the school breakfast program, the special assistance phase of the national school lunch program and assistance in the purchase of food service equipment for schools.

We have here a so-called saving of \$14,230,000 wholly at the expense of schoolchildren most in need of better nutrition.

What is the rationale, what is the reasoning, what conceivable justification can there be for this action in the face of a known shortfall in meeting our responsibilities to feed hungry children?

This means 1 more year of deprivation for thousands of children in ghetto schools and poor rural schools. In this year's appropriations the Congress responded to the need for more funds for the breakfast program and the special assistance program but now the committee proposes no increases for 1969. This means severe loss of program momentum and progress toward improving the nutritional status of needy children.

This body recently voted 398 to 0 to expand food service programs to day care centers and to recreational programs including summer programs for children. That bill, which I was proud to have had a hand in drafting, was an expression of concern about hungry children in this country.

Today we are asked to say, in effect, that hungry schoolchildren are all being fed and that there is no further problem. We know better.

Mr. Chairman, the recent shocking report by the citizens board of inquiry into hunger and malnutrition in the United States discloses widespread instances of malnutrition among all age

groups in large areas of this country. It is outrageous that this bill not only ignores that report but proposes to cut back on one of the few programs which reaches any significant group among those in need of food.

A bill which appropriates over \$2 billion for programs to discourage the growing of food but which ignores the hungry and badly nourished is a bill that I cannot support. I shall vote "no."

Mr. KEITH. Mr. Chairman, I would like to commend the gentleman from Mississippi and the members of his subcommittee for the excellent work they did in trimming the nonessentials from the budget request for agriculture appropriations in this year of extreme financial difficulties.

I was pleased to note the reduction of over \$1 billion from the budget request—but at the same time, I was happy to see that the subcommittee had increased funds for the Soil Conservation Service. I was one of the Members referred to who wrote to the gentleman from Mississippi, requesting that sufficient funds be appropriated for those worthwhile programs so that they could be carried on at or close to the operating levels approved by Congress for fiscal year 1968.

At the time I wrote, parts of Massachusetts had been ravaged by extensive flooding—and the need for continued efforts at soil conservation through watershed planning and protection, as well as flood prevention, was dramatically clear.

Mr. Chairman, I would be the last to deny the need for economy—and have consistently urged that priorities be established and strictly followed. Nonessential expenditures must be curtailed—many programs which are very desirable but not essential must wait until this Nation's resources can handle them—without a mammoth budget deficit. My constituents are practically unanimous in their call for economy in Government, but at the same time they recognize that certain programs must have top priority—programs which, if delayed, would cost much more to implement, at the risk of irreplaceable damage. Soil conservation is one of these high priority items.

Mr. Chairman, on page 26 of the committee report there is a discussion of the food and water needs of this country in a few years. I would like to call the attention of my colleagues to an excellent book, "Famine 1975," written by two brothers, Paul and William Paddock.

The Paddock brothers' credentials are outstanding: Paul was a member of the Foreign Service for 20 years, most of which were spent serving in underdeveloped countries. William is an agronomist who has spent most of his working years in the underdeveloped countries of Latin America. Both know well what they are talking about when they predict famine—famine that must inevitably come to underdeveloped nations with the rise of population and the slow rate of increase in food production.

The Paddock brothers see 1974 as the crucial year, but for convenience sake they round that figure to 1975. Basing their conclusions on the fact that several large underdeveloped nations—in-

cluding India, China, and Egypt—have within the past few years received massive grain shipments from the United States, Australia, and Canada, they predict that in 1975 the human race will split into two camps. Call them rich and poor, or fed and unfed, there will be two clearcut groups of the human race.

Mr. Chairman, we cannot afford not to take steps now to preserve our soil and our water. I congratulate the gentleman from Mississippi on a fine piece of work, and thank him for his recognition of the high priority of saving our soil and water resources.

Mr. BRADEMAS. Mr. Chairman, I wish to comment on one particular aspect of H.R. 16913, the agriculture appropriation bill for the fiscal year 1969. I refer to the appropriation for the loan program for the Rural Electrification Administration.

Mr. Chairman, the amount recommended by the Committee on Appropriations for the REA loan fund—\$345.5 million—is a minimum figure. Indeed, the recommended appropriation is well below the amount of funds that will be needed to meet the financial requirements in rural electrification in the years ahead.

The evidence is, Mr. Chairman, that rural electric cooperatives are being called upon to serve some 150,000 additional consumers each year. Rural power requirements will triple over the next 20 years. These needs, added to those of rural telephone cooperatives, call for an estimated \$11 billion in new capital during the next 15 years, an amount double that provided in congressional appropriations for REA loans over the past 15 years.

Certainly, in my own State, I know that the financial needs for the future growth of rural electric cooperatives are particularly great. The Indiana State-wide Rural Electric Cooperative has said that continuation of the REA loan program at a restrictive level means that Indiana's rural electrics will be faced with financial strains which will seriously hamper their ability to meet the growing power demands of their 190,000 rural member-consumers.

Thus in future years we should be prepared not to restrict or diminish, but to increase the funds available for continuing the work of rural electrification.

Let me at this point, Mr. Chairman, quote from the report of the Committee on Appropriations on this bill. The report said:

Testimony from the REA Administrator and representatives of the electric cooperatives indicates that the demand for electrification loans in the next fiscal year will be in excess of \$700 million—double the amount available. One of the principal reasons for this large demand is that electricity now substitutes on the farm for labor which is no longer available. The modern farm is a highly automated and electrified operation.

And I think it ought here to be noted, Mr. Chairman, as the committee report declared of Rural Electrification loans:

Based on previous experience, all of these loans will be repaid to the Treasury. They do not represent an unrecovered expenditure as do the regular operating programs of the Government.

Indeed, Mr. Chairman, spokesmen for the Rural Electrification Co-Op of Indiana have advised me of their view that the House should consider \$500 million as a minimum figure for the loan authorization.

I realize, Mr. Chairman, that we must exercise restraint in many areas of Government expenditure, but the rural electrification loan program is so essential to the lives of many American farm families and to the economy of rural America, including the small towns of the Nation, that we must exercise great care to assure an adequate level of loan authorization for this program.

Mr. LANGEN. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time. I ask that the Clerk read.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

CROPLAND ADJUSTMENT PROGRAM

For necessary expenses to carry into effect a cropland adjustment program as authorized by the Food and Agriculture Act of 1965 (7 U.S.C. 1838), \$84,500,000.

AMENDMENT OFFERED BY MR. KYL

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KYL: On page 23, line 22, after the period, strike the period and insert: "Provided, That agreements entered into during the fiscal year 1969 shall not require payments during the calendar year 1969 exceeding \$55,500,000".

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, this amendment is not, as it might first appear, a limiting amendment. The amendment follows the recommendation of the budget submitted by the executive branch and would permit withdrawal of 2 million acres of land under new contracts in addition to the other purposes stated in the bill.

There are a number of what we used to call soil payment contracts which expire this year. Those contracts could be extended through the operation of a new arrangement between the individual and the department, and that land could remain out of production.

I think it is essential that the land does remain out of production. It is better to retain these contracts than select new ones, particularly because of the fact that this land has been in its present state for a number of years and has become valuable for other purposes where shorter range programs cannot provide such services. In brief, Mr. Chairman, the amendment permits extension of contracts for up to 2 million acres. It should be adopted.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, frequently we hear criticism of the activities of government. It has been my view in the past that to pay a fellow not to farm is a step in the wrong direction. Nevertheless, Congress provided such a program under President Eisenhower and Secre-

tary Benson, and Congress did the same thing under the present administration.

But that there be no misunderstanding what this amendment would do, it would pay farmers \$55 million more to leave their land out of production. If there were sound reasons at the start for this type program, it develops now that our reserves of supplies on hand are at a lower level.

We have a rather severe dollar balance situation. Agricultural commodities under the Commodity Credit Corporation Act can be sold at competitive prices in world trade. So the conditions, whatever they were, when these laws were first passed, do not now prevail. We do not have those overburdening supplies on hand, and we do have a tremendous call on the Treasury for extra money.

I hope the Committee here will stand by the Committee on Appropriations and not spend \$55 million to continue contracts to pay farmers not to farm. Under all present conditions we can use the commodities and we cannot very well afford to tack on \$55 million at a time.

I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. KYL].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,850,000 of administrative and operating expenses may be paid from premium income.

Mr. QUIE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 110]

Adair	Galifianakis	Nelsen
Andrews, Ala.	Gardner	Nichols
Arends	Gibbons	O'Neill, Mass.
Ashmore	Green, Oreg.	Resnick
Baring	Hagan	Rhodes, Ariz.
Bolton	Halleck	Saylor
Brown, Calif.	Hansen, Wash.	Schneebell
Colmer	Hardy	Selden
Conyers	Hawkins	Stafford
Cunningham	Herlong	Steed
Dawson	Holland	Stubblefield
Dent	Johnson, Pa.	Teague, Tex.
Diggs	Karsten	Vanik
Dowdy	Kupferman	Willis
Feighan	Landrum	
Fraser	Moore	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CORMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 16913, and finding itself without a quorum, he had directed the roll to be called, when 387 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Prior to the quorum

call, the Clerk had read through page 31, line 18.

The Clerk will read.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$31,500,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 33, line 5, after the word "hereof", strike the period and insert the following: "*Provided further*, That none of the funds appropriated by this Act shall be used to formulate or carry out price support or commodity programs during the period ending June 30, 1969, under which the total amount of payments in excess of \$10,000 would be made to any single recipient as (1) incentive payments, (2) diversion payments, (3) price support payments, (4) wheat marketing certificate payments, (5) cotton equalization payments, and (6) cropland adjustment payments."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

The gentleman from Illinois is recognized for 5 minutes.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, this amendment would place a limitation on the amount of payments, in effect, from the Treasury Department to any single recipient under the various commodity programs for the type payments which are enumerated in the amendment. This would be virtually every commodity program. The exception is the Sugar Act, which has unique features.

The limitation on payments is \$10,000. This, of course, is a tiny fraction of the payments that many recipients under various commodity programs are presently receiving.

We are all aware, I am sure, of stories about payments to a single farmer which run to \$100,000, \$200,000, \$500,000, and even exceeding \$1 million in a single year.

I am sure no one who actively supported the commodity programs had any intention of authorizing payments which would enrich those who were already wealthy farm operators. Yet it has had that effect.

I must say, I have not supported payment programs. I do not today. This amendment, however, would, in my judgment, make these payment programs far more attractive, more fair, and far more politically acceptable. It would, in effect, establish a sort of poverty floor, one might say, of \$10,000 a year for the farming community.

The effect of the amendment would be that the aggregate payments under wheat, feed grains, cotton, and whatever, could not exceed \$10,000 during the 12-month period for which money is appropriated by this bill.

What would this mean in terms of savings? It is difficult to be precise. Those who take an interest in agricultural matters will recall the document issued by the subcommittee of the Senate Committee on Appropriations last year, a document which enumerates by name, by county, and by State every recipient who got more than \$5,000 in payments during the preceding year. So if any Members are curious to know just which constituents, if any, would be adversely affected by this amendment, the book containing this information is readily available.

As to the savings, in my judgment it would result in a cut in spending of approximately \$500 million during the 12-month period. With a surtax in prospect, with everyone straining every ounce of energy trying to cut back on spending, I cannot think of a better, more logical, or more proper place to cut than to cut back these million-dollar or hundred-thousand-dollar payments to single recipients under the various farm programs.

I urge the Members to support this amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Pennsylvania.

(Mr. McDADE asked and was given permission to revise and extend his remarks.)

Mr. McDADE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we often speak of fiscal responsibility in these Chambers, and I am one who feels fiscal irresponsibility has contributed much to the financial problems of this Nation today.

Today we are asked to give consideration to the annual appropriation for the USDA. We are told this appropriation has been sharply reduced from what the President requested in his budget for fiscal 1969. In the strict sense of regular appropriations, this may be true, but in fact it is not.

One function of the USDA—operation of the Commodity Credit Corporation—is unique. CCC has the authority to draw up to \$14.5 billion from the U.S. Treasury, without appropriation, to carry on various activities. With passage of the Food and Agriculture Act of 1965, one of the primary functions of CCC has

been to make direct price support and diversion payments to individual farmers. Some of these payments are for more than \$1 million each. Many more run in excess of \$10,000 per farm.

Normal operations call for the appropriation to cover CCC for its losses in making these payments and carrying out other activities to come in the second fiscal year after such funds are spent. Thus, the appropriation now before us for CCC should cover losses for fiscal 1967. Let us look at the record. During fiscal 1967 CCC had losses in excess of \$3.8 billion. The bill now before you calls for only \$2.8 billion to reimburse these losses. We are kidding ourselves and the American taxpayer when we accept this type of budget gimmickery.

Mr. Chairman, the money has been spent. Our economy and the U.S. Treasury has felt whatever impact that expenditure made. But again this year, in the guise of an austere USDA budget, we are sweeping more than \$1 billion of needed appropriations under the rug. We have done this in the past. CCC has losses of \$1 billion for 1961 and of \$1.6 billion for 1966 which have not yet been covered by appropriation. Additional losses are being incurred every day—more than \$3 billion has already been spent by CCC during fiscal 1968.

I bring this to your attention because I believe back-door financing by CCC has become one of the most serious fiscal problems facing us. During the first 30 years of farm programs, CCC incurred \$10.5 billion of losses in carrying out price support and adjustment programs for wheat, feed grains, and cotton. While this is a good deal of money, spread over 30 years, it is not staggering. What is staggering is the fact that CCC losses for these same programs between June 30, 1963, and today—during the past 4½ years—have been more than \$11.5 billion. We have more than doubled the cost of farm programs for the first 30 years over the past 4½ years.

I realize that in terms of controlling these costs there is little we can do with this appropriations bill as it relates to CCC. That will have to be done through the basic authorization legislation. I for one may well oppose extension of the current farm act in its present form. It has not only cost us billions, but it has allowed the parity ratio for farmers to drop to 73—the lowest since 1933.

From the standpoint of some of the agencies of the USDA, this could be described as an austere appropriation. Some agencies have been cut back from past levels. But from the standpoint of the total, this is not austerity. Regular agency and program increases contained in this bill, along with the unbridled power of CCC to spend, can result in record or near record expenditures for USDA during fiscal 1969.

Again, let us not kid ourselves. This is not fiscal responsibility.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from New York.

Mr. GOODELL. The gentleman in the well is a cosponsor of the human renewal approach, to cut back spending in the lower priority areas so that we may

plow back some portion of the money into areas of high urgent need. This is one of the proposals made for cutting expenditures. If we cannot cut out expenditures for farmers who are getting more than \$10,000 per year, I do not know where we can start cutting. I support the gentleman.

Mr. FINDLEY. I thank the gentleman. May I ask the gentleman if he could inform us about how many Members have cosponsored this very good proposal?

Mr. GOODELL. There are now more than 70.

Mr. FINDLEY. There are more than 70 who have placed their names on behalf of spending reductions, including the very item now before this body.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. I should like to compliment the gentleman. In a family—that is, a husband and wife—this would be \$20,000 for the family. So if a team is running the farm, two individuals, they could get up to \$20,000 in payments.

Mr. FINDLEY. If each could be defined as being a separate recipient, that would be the case.

Mr. FULTON of Pennsylvania. There is one other thing. Some years ago I tried an amendment along these lines, and unfortunately out of the whole House there were only 47 votes for it. I hope the gentleman does better than some of us who have tried before. Another who tried was Congressman Taber, of New York, the longtime chairman of the House Appropriations Committee, who felt the same as the gentleman does.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Does the gentleman from Mississippi wish to be heard on a point of order?

Mr. WHITTEN. Mr. Chairman, I do.

May I ask the gentleman to be so kind as to give me a copy of his amendment? I thank the gentleman.

Mr. Chairman, may I point out several things? The Commodity Credit Corporation was created as a corporation under the laws of Delaware some years ago. It was incorporated so as to have, in connection with the farm program, all the rights and responsibilities that a corporation under general law has.

This is the right to buy and sell and the right to discharge its responsibilities assigned to it by the Congress such as supporting the farm program which the Congress passed and the President signed. The very purpose of creating the Corporation was to be freed of restrictions such as we offered here, which any Congress might impose, from year to year, on appropriation bills, if the erroneous rulings are continued.

Mr. Chairman, having been here for some several years, I have had an active part in all legislation which might have restricted this Corporation. I had an active part in the antideficiency bill where an amendment I offered was adopted protecting the Corporation from such action as is here offered. I was here when we provided for the Corporation Control Act which gave the Congress the

right to review budget and expenditures of the Corporation and the operations of corporations.

I recall one thing that happened at that time which is completely separate from the immediate problem. We found out that the Government had a corporation—the American Spruce Corporation I believe—in the State of Washington or in the State of Oregon, which was created in World War I. Nobody was supervising it and nobody here knew that we had it until this was brought out in that act. It had served as a place of pension for some tired army official.

Mr. Chairman, I have here before me a rather thorough brief of this whole issue, which I have taken the time to prepare, since the last time that this matter came up and the Chair made what in my opinion was an erroneous decision. I will tell you now why I think so.

The purpose of the Corporation's Charter Act is to avoid such action as is offered here which would make the Corporation a part of the Department of Agriculture. Through the years every time the Congress has tried to restrict this Corporation, the Congress has carefully provided that such act could not be used to keep the Corporation from discharging its duties and its functions under its charter.

Now, Mr. Chairman, I am going to ask you to reverse the prior decisions of other Chairmen who have presided, and have had this question before them. Also may I say the present amendment is very different from the one that we had before. This one reads:

None of the funds appropriated by this Act shall be used to formulate or carry out price support or commodity programs during the period ending June 30, 1969, under which the total amount of payments in excess of \$10,000 would be made to any single recipient as (1) incentive payments—

The funds in this bill are to restore past losses. So I respectfully submit that the Corporation, being a corporation, has a right to hire its own employees.

May I say again that the present operation of this Corporation is or should be controlled by its charter and the availability of money. This comes under its charter, and its money is in the bank. I respectfully say that to try to change that which happened last year by something that you are doing now is going beyond our jurisdiction.

May I point out one other thing. In past decisions by previous Chairmen of this Committee, they have spelled out that the motion was in such a form that on its face it would limit expenditures. If the Chair is familiar with the change in legislation having to do with farm programs, the Chair could well determine that this amendment now being considered could well cost you more money. If any type of limitation such as this would be adopted, in many instances it would cause the Department of Agriculture to revert to the earlier laws where it can easily be argued that the cost would be many times what it would be under the bill now in operation.

So the effect of this is, if the amendment is adopted, it could well be that it would cost us more money.

Second, it applies to a corporation which has all of the powers of a corporation carefully reserved to it by all the legislation passed since the charter was issued.

Third, it is directed, as I say, to changing the powers of a corporation, which is legislation.

Mr. Chairman, I have with me here a brief, and I have sent a copy of this brief to the Parliamentarian earlier so I am sure he has had time to study it. My brief, which I shall present to you, points out that, if you will go through all of the legislation since this Corporation was set up as a corporation, you will see that Congress has carefully said that no action under appropriation bills should be taken to prevent the Corporation from performing its functions.

Mr. Chairman, I submit that you cannot limit the basic powers of the corporation by the imposition of a restriction thereon in an appropriation bill because Congress has carefully seen that such a procedure could not prevent the Corporation from carrying out its responsibilities.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard further?

Mr. FINDLEY. Yes, Mr. Chairman.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, the gentleman from Mississippi claims that this amendment might, in fact, cost more money instead of effecting a limitation on spending. This I am sure the gentleman will acknowledge is a purely speculative assertion. It could not be substantiated even if he has in mind the old so-called snapback cotton program.

If this snapback provision did take over and the old law were administered as indeed its legislative history and intent would indicate, then the support level would be far below the level which caused the tremendous production of cotton in previous years. It does not stand to reason to suggest that a limitation on payments as set forth in this amendment would actually increase expenditures.

Does this amendment seek to change the power of the Commodity Credit Corporation? The amendment, instead, seeks to place a ceiling, a limitation on funds, which can be expended under specific programs. It is almost identical—it is truly identical—in every substantive respect to the amendment which was ruled in order on June 6, 1967, an amendment which is so close to the language now pending before us that I take the time of the Members of the Committee of the Whole House on the State of the Union to read it. At that time I offered an amendment which read as follows for providing—and I hope the Members who are interested will note this language and compare it with the language which is now pending before this body:

Amendment offered by Mr. FINDLEY: On page 34, line 18, after the word "hereof" strike the period and insert the following:

"Provided further, That none of the funds appropriated by this act shall be used to formulate or carry out price support or commodity programs during the period ended

June 30, 1968, under which the total amount of payments in excess of \$25,000 would be made to any single recipient as (1) incentive payments, (2) diversion payments, (3) price support payments, (4) wheat marketing certificate payments, (5) cotton equalization payments, (6) cropland adjustment payments, and (7) compliance payments."

Mr. Chairman, I will say that is almost precisely the same language, word for word, except for the amount of money and with the exception of item (7), which has nothing to do with the substantive amendment. It is identical with the other amendment.

Mr. Chairman, the gentleman from Mississippi made the point of order in which he argued against it when offered at that time as he has today. And, I shall be glad to read the argument which he made at that time:

Mr. WHITTEN. Mr. Chairman, I rise to make a point of order against the amendment. While the gentleman's amendment applies to a number of things that might be tied to appropriations in the bill, the amendment will stand or fall on all of its provisions. As I pointed out earlier, the Commodity Credit Corporation was set up as a corporation with certain rights and powers—

The same argument which we heard just now—

Later it was brought under surveillance and under both Acts which brought it under congressional surveillance it was provided that—

"Nothing in this act of surveillance shall interfere with the operations of the Corporation in maintaining price supports."

Continuing with the argument of the gentleman from Mississippi:

If you read the amendment that has been offered by the gentleman from Illinois, you will see that item 3 states: "Price support payments may not exceed \$25,000."

The same thing, except for the different figure of \$10,000—

So that language clearly would interfere with price-support payments, and would repeal the two acts that I mentioned—

He argued that this was legislation by means of an amendment to an appropriation bill. The same arguments were made to the Chair on that occasion, but for a change made on the date and such—

It would, to that extent, change the authority of the Commodity Credit Corporation.

The same argument that was set forth just now. I will not read the rest of this argument, but it was along the same general line of the argument just made a few moments ago by my friend, the gentleman from Mississippi.

And the Chair, in considering this language which is so identical with the one I have just offered, had this to say:

On January 26, 1965, the gentleman from Arkansas [Mr. HARRIS], was in the Chair when a similar amendment was offered to a bill appropriating funds to reimburse the Commodity Credit Corporation. The Chair ruled that the proposed amendment was a limitation that applied only to the appropriations carried in the bill before the Committee at that time. The Chair therefore overruled the point of order.

Also, on May 18, 1959, when the Committee of the Whole had under consideration the Agriculture Department appropriation bill, which included funds for the Commodity Credit Corporation, an amendment was offered by the gentleman from Kansas [Mr.

EVERY] which provided that "no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000." That amendment was held to be a limitation and in order by the Chairman, the gentleman from Texas [Mr. KILPATRICK].

The Chair holds that the amendment is a limitation and, therefore, the Chair overrules the point of order.

May I say further, Mr. Chairman, that each of the arguments uttered by the gentleman from Mississippi [Mr. WHITTEN] were therefore before the Chair on that earlier occasion and, despite such arguments, the Chair overruled the point of order.

Now, in his brief that the gentleman from Mississippi says he has submitted to the Chair for its consideration, if there are other arguments which should be taken into account, it seems to me only proper and fair that these arguments be set forth orally at this time, so that I may have an opportunity to respond.

Mr. POAGE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Texas on the point of order.

Mr. POAGE. Mr. Chairman, as one who agrees with the chairman of the subcommittee that this point of order cannot apply to the Commodity Credit Corporation since it purports only to involve a limitation upon funds which are appropriated by this bill to the Corporation, and since this bill appropriates no funds to the CCC, it cannot be very effective. I believe that the position of the gentleman from Mississippi is well taken.

But I would like to call the attention of the Chair to the further fact—which was emphasized by the gentleman from Illinois [Mr. FINDLEY]—to the effect that previous holdings—and the gentleman went back to the May 18, 1959, and January 26, 1965, holdings of the Chair, when the law was quite different from what the law is today—to the effect that such an amendment would be a limitation upon the expenditure of funds, and therefore would be in order on an appropriation bill, simply does not apply to the situation before us today, because the present law, the Food and Agriculture Act of 1965, Public Law 89-321, has in it what we call the snapback provision, section 402(d) (12).

It provides that in case of limitations later enacted with respect to price support preventing the Secretary from paying the full amount of price support to which a cooperator would otherwise be entitled, the Secretary is obliged to provide loans or purchases at not less than 65 percent nor more than 90 percent of the parity price for any such crop, as the Secretary determines appropriate. Such price support may be carried out through the simultaneous purchase of a commodity at the support price therefor and resale at a lower price or through loans under which the commodity would be redeemable by payment at a lower price than the amount of the loan.

So I think it is quite clear that the result of overruling this kind of a point of order would be to change the substantive law. It would completely change the Food and Agriculture Act of 1965 under

which we are working. This would, in effect, be an amendment. It would not simply be a limitation on appropriations, but it would be a change in the substantive law. Surely, we have no right to change the law under the guise of limiting the appropriation.

Certainly the Committee on Appropriations cannot change the existing substantive law on this or any subject nor can it be changed by an amendment of an appropriation bill 3 years after the legislation has been passed.

So, Mr. Chairman, I submit that since the clear effect of this legislation is to repeal a very large part of the Food and Agriculture Act of 1965, the Chair should look at the effect and the substance of this point of order and that the Chair should hold that it is not simply a limitation on expenditures but an effort to repeal and to materially amend existing legislation, which clearly is out of order at this time.

Mr. WHITTEN. In view of the arguments that have been made, may I be heard briefly to respond.

The CHAIRMAN. The gentleman is recognized.

Mr. WHITTEN. Mr. Chairman, again may I say that this Government corporation at the outset was created so that it could buy and sell and have the business flexibility of a corporation.

When we first set out to pass the Corporation Control Act and until we passed that act, we had absolutely no right of review. We changed the law to review but were careful not to let Congress supervise or control.

I have before me some comments from the report which accompanied the Corporation Control Act and I would like to present this to you to show that the Congress adopted the Corporation Control Act so that we could check on the expenditures and their budgets. The report had this to say.

Keep in mind that the Corporation was free of our review until we passed that act and this is what it says in the report which accompanied the bill which gave us jurisdiction in this matter.

This is the language in that report:

It has been recognized that Government corporations were created to conduct their activities with a freedom thought to be inconsistent with the types of financial control applicable to the regular Government departments and agencies.

The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law.

Mr. Whittington, who was chairman of the committee at that time, said:

We are dealing here with the auditing and accounting of business corporations rather than the established governmental departments, and we must provide for flexibility both in the auditing and the budgeting of these corporations that will enable them to carry out the functions for which they were established.

I should like to say also in this connection that the committee gave careful consideration to the flexibility that is required in auditing and in budgeting so as not to destroy the functions for which these Government corporations were established.

The committee took the view that ours it was to coordinate and correlate the corpo-

rations as we found them with the activities authorized by law and by their charters, so that we, in reporting this bill under the guise of auditing and supervision.

And I hope the Parliamentarian will listen to this—

in no wise change the substantive law under which any of these corporations are now functioning and are now authorized.

Let us read section 104.

It provides that the Corporation shall not be deprived of the exercise of any functions now authorized by law.

Carrying this point further, when we took the Corporation under our surveillance, the report stated that there was a great difference between being dependent on an annual appropriation of the Congress and having their own money. I respectfully submit that you will not find a law on the books that turns this type of control or veto power over Commodity Credit Corporation programs over to the Congress. Neither will you find any place in which the bill appropriates for the Commodity Credit Corporation; that authority is in its charter.

In this bill you will find two things: One is a limitation on administrative expenses on money they already have. The other is the restoration of the capital impairment which occurred in prior years. So under the guise of a limiting amendment we are violating all the acts passed by the Congress which say that the Corporation should not have its responsibilities or jurisdiction hamstrung by action in an appropriation bill.

I repeat again that we are not dealing in this bill with money for the operation of this Corporation. We are paying back to CCC what it has lost in the past. Even if this bill is not passed by the Congress, it has money now to operate until it is exhausted.

I respectfully submit that decisions of the Chair heretofore have been erroneous. I have before me the facts to prove this. I will read them into the RECORD at this point for the use of the membership:

The Commodity Credit Corporation Charter Act states in part:

The Corporation—(g) May enter into and carry out such contracts or agreements as are necessary in the conduct of its business. (15 U.S.C. 714b(g)) (j) Shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid. (15 U.S.C. 714b(j)) (1) May make such loans and advances of its funds as are necessary in the conduct of its business. (15 U.S.C. 714b(1)) (m) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically vested in the Corporation. (15 U.S.C. 714b(m)) In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act, the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments, and other operations." (15 U.S.C. 714c) "The Corporation is authorized to use in the conduct of its business all its funds and other assets, including capital and net earnings therefrom, and all funds and other assets which have been or may hereafter be transferred or allocated to, borrowed by, or otherwise acquired by it. (15 U.S.C. 714f)

The House report on the Government Corporation Control Act contains certain statements:

In the past decade there has been increasing awareness in the legislative and the executive branches that the financial program of the Government cannot be effectively coordinated without some control over Government corporations. At the same time, it has been recognized that Government corporations were created to conduct their activities with a freedom thought to be inconsistent with the types of financial control applicable to the regular Government departments and agencies.

The Comptroller General of the United States, the Director of the Bureau of the Budget, and the Treasury Department have strongly endorsed the objectives of this bill. The language of the accompanying bill was drafted after full hearings, at which all Government corporations were given an opportunity to appear and state their views. Also, reports received from all Government corporations, and printed in the appendix hereto, were given careful consideration by the committee. Every effort has been made to frame this bill in such a manner as to provide for the necessary over-all financial control without interfering with the required flexibility of operation of the corporations affected.

It is assumed by the committee that the need for flexibility in operation will be recognized by the President and the Congress in considering and approving business-type budget programs. The Director of the Bureau of the Budget is fully aware of the need for flexibility in the business-type budget, and so stated in his testimony before the committee.

To the extent that corporations, including the Tennessee Valley Authority, receive their funds in the form of annual appropriations, specific appropriating language would be necessary. Likewise, specific authorization would be necessary for administrative expenses where such authorization is otherwise required by law or where the Congress desired to set a limitation in this respect. However, in cases where no other law required a congressional authorization of expenditures, the corporation, if it had means of financing other than annual appropriations, could continue to operate in the absence of any action by Congress on its budget program. To insure that such legislation would not be used as a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities, this section includes a specific provision that it shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law.

The House debate on the Government Corporation Control Act included the following statements:

Mr. WHITTINGTON. We are dealing here with the auditing and accounting of business corporations rather than the established governmental departments, and we must provide for flexibility both in the auditing and the budgeting of these corporations that will enable them to carry out the functions for which they were established.

I should like to say also in this connection that the committee gave careful consideration to the flexibility that is required in auditing and in budgeting so as not to destroy the functions for which these Government corporations were established.

The committee took the view that ours it was to coordinate and correlate the corporations as we found them with the activ-

ities authorized by law and by their charters, so that we, in reporting this bill under the guise of auditing and supervision, in no wise change the substantive law under which any of these corporations are now functioning and are now authorized. In all fairness we thought that the Congress of the United States, having established the functions of those corporations, ought to pass upon any changes with respect to those functions regardless of what my personal views or the views of the committee might have been.

Section 104 provides for consideration by the Congress of the budget programs and enactment of legislation, if necessary, making available such funds as Congress may determine, and it provides that the Corporation shall not be deprived of the exercise of any functions now authorized by law, specifically applying to Section 26 of the Tennessee Valley Authority Act and generally to the Farm Credit Administration Corporations.

The Senate report on the Government Corporation Control Act states:

An important provision of the bill is the requirement that the budget programs shall include due allowance for the need for flexibility, including provision for emergencies and contingencies, so that the Corporation may properly carry out its activities as authorized by law. The corporate form of organization is the useful device for carrying out a variety of Government services and programs, of a continuing as well as an emergency character. It is generally agreed that the corporate form loses much of its peculiar value without reasonable autonomy and flexibility in its day-to-day decisions and operations. The budget and financial controls imposed upon the Government corporations should not deprive them of this freedom and flexibility in carrying out authorized programs to a greater extent than is necessary to conform their operations to the program of the Government and the will of Congress.

Discretion is necessary in the choice of activities on which fiscal-year limitations are appropriate and in the type of limitations imposed. There may be mandatory programs on which no specific dollar limitations should be imposed. There will be other programs, subject to unpredictable factors, where it may be desirable to establish limitations that would prevent an extreme expansion of the present volume of operations without further consideration by Congress but that would be high enough to permit the corporations to adapt the programs to reasonable changes in conditions.

Such budget program is to be a business-type budget or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the corporation may properly carry out its activities as authorized by law.

To the extent that corporations, including the Tennessee Valley Authority, receive funds in the form of annual appropriations, specific appropriating language would be necessary. Likewise, specific authorization would be necessary for administrative expenses where such authorization is otherwise required by law or where the Congress desired to set a limitation in this respect. However, in cases where no other law required a congressional authorization of expenditures, the corporation, if it had means of financing other than annual appropriations, could continue to operate in the absence of any action by Congress on its budget program. To insure that such legislation would not be used as a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities, this section includes a specific provision that it shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law.

Section 104 includes a further provision

to make it clear that the existing authority of wholly owned Government corporations to make contracts or other commitments without regard to fiscal year limitations is not affected. This provision was included to meet the objection of certain corporations that the enactment of H.R. 2177 in its original form would place them completely on a fiscal-year basis and interfere with their flexibility of operation and with the making of long-range contracts under authority of law. There is no intent in this bill to deny to any Government corporation the right to enter into whatever contracts it is now authorized to enter into, and no thought that the Congress will deny funds for the execution of those authorized contracts in passing upon the annual budget program.

The Government Corporation Control Act includes the following excerpts:

* * * The budget program shall be a business-type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the corporation may properly carry out its activities as authorized by law. * * * (31 U.S.C. 847)

* * * The provisions of this section shall not be construed as preventing Government corporation from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831y of Title 16. The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations. * * * (31 U.S.C. 849)

The Antideficiency Act includes the following provision:

Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under section 612(c) of Title 7, with respect to agricultural commodities shall be subject to apportionment pursuant to this section. (31 U.S.C. 665 (d) (2))

This provision was enacted in the General Appropriation Act, 1951, as the result of an amendment offered by Mr. WHITTEN, as modified by Senator ANDERSON's amendment, and as further modified in conference.

The debate in the House reads as follows—CONGRESSIONAL RECORD for May 10, 1950, pages 6913-6914:

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN. On page 422, line 5, after the period, insert "Nothing in this subsection shall be so construed as to interfere with initiation, operation, and administration of agricultural price support programs."

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. NORRELL. May I say to the committee that the members of the subcommittee on this side of the aisle who have had occasion to go into this matter believe the original intent of the committee was not to give such authority to the Director as this amendment would prohibit; so I am authorized to say to the Members on this side of the aisle that we have no objection to the amendment.

Mr. WHITTEN. I thank the gentleman. I have discussed this with the gentleman from Minnesota [Mr. H. Carl Andersen] and the gentleman from Washington [Mr. Horan],

members of the Subcommittee for Agricultural Appropriations. In the general provisions of this bill we are trying to prevent deficiencies, and in doing that the general provisions provide that the funds for the various operations of the Government shall be set up on a quarterly basis and have to be cleared with the Bureau of the Budget.

Now the Commodity Credit Corporation was set up as a corporation for the reason that we intended for them to have some freedom and latitude in handling their operations. This amendment leaves it where they have to make the same reports of their operations and all that, but it does mean that the Bureau of the Budget cannot interfere with the proper operation of the price-support program. In other words, they cannot delay the initiation or proper administration of the price-support programs. This leaves it where the Commodity Credit Corporation can follow the basic law and carry out the purposes set out in their charter and under the law authorizing its creation. There is some question whether the CCC would be included in the absence of this amendment, but this clarifies the provisions where there can be no question.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The same Corporation which is in charge of administering the price support program is likewise engaged in other activities, such as carrying out the International Wheat Agreement, acquiring supplies for the ECA, likewise acquiring beef in connection with the foot and mouth program in Mexico, and also in acquiring supplies for foreign cash customers. I think in all of those operations and transactions the Corporation acts as agent. It is not the purpose, as I understand, of this bill, to subject those transactions to budgetary scrutiny.

Mr. WHITTEN. Insofar as the operations of the Commodity Credit Corporation are concerned, I think that the gentleman is eminently correct. Insofar as the other agencies are concerned, I do not know.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Do I understand that the amendment is for the purpose of keeping out interference by the Bureau of the Budget with the operations of the Commodity Credit Corporation? If the Bureau of the Budget thinks something ought to be done for efficiency, this will block them.

Mr. WHITTEN. No; this does not enter into that. Under the general provisions the Corporation must make certain reports. In the absence of this amendment they would have to set up in advance, on a yearly basis or on a quarterly basis, their operations and you cannot do that with the Commodity Credit Corporation where you do not know in advance what your demand for outlays will be to support the price of crops.

Mr. FULTON. If the Bureau of the Budget feels that it is wise that there be these advance quarterly reports made by the Commodity Credit Corporation, why should we in the act by the amendment cut them out of that right?

Mr. WHITTEN. They make the same reports, but we say that the Bureau of the Budget cannot make such demands as will interfere with the proper discharge of the obligations of the Commodity Credit Corporation. Short of interfering with the proper discharge of such obligations, they have full rights, but if the Bureau of the Budget sets out to block the price support program which was authorized by law and which the Commodity Credit Corporation had an obligation and a duty to perform, this merely says in that case the Commodity Credit Corporation shall be permitted to go ahead.

Mr. FULTON. I do not see why, if the law says one thing, the Bureau of the Budget can block the Commodity Credit Corporation without this amendment.

Mr. WHITTEN. It is hard to understand, but we wish to be sure it does happen.

Mr. COOLEY. The Bureau of the Budget could not block them except for the provisions in the present bill.

Mr. WHITTEN. That is right, but it might be held by the Bureau of the Budget to give them that right, and we wanted to make it clear.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. I do not understand the gentleman's amendment in this respect: The gentleman has made a statement with respect to the Commodity Credit Corporation insofar as the antideficiency provisions of the act are concerned. Should not that same exception be made, for instance, with respect to the social welfare program about which the gentleman from Rhode Island spoke yesterday, inasmuch as we will not know beforehand, for instance, just what the charges against that will be, and the Bureau of the Budget might very well interfere with that?

Mr. WHITTEN. I am not going to argue with the gentleman about that because I am not thoroughly familiar with it. I do feel that I am qualified to speak to the present question. As to the other, the gentleman may be clearly right. I just do not know.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. PHILLIPS of California. I think the gentleman from Mississippi has already answered the question of the gentleman from Pennsylvania, but I thought perhaps the gentleman from Pennsylvania had not differentiated between the Bureau of the Budget and the General Accounting Office as to its subsequent check and its right to establish the procedures. That is not the right of the Bureau of the Budget.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

The debate in the Senate includes the following discussion—CONGRESSIONAL RECORD for August 3, 1950, page 11900:

Mr. ANDERSON. Mr. President, in the section relating to the price-support operations I think there has been an error in the language. The language tries to exempt price-support operations. I call up the amendment which I have sent to the desk, lettered "A" of July 17, 1950.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 472, line 1, it is proposed to strike out all after the word "States", down to and including the word "programs", in line 3, and in lieu thereof insert the following: "No funds (other than funds for administrative expenses) available for price support, surplus removal, and related operations, with respect to agricultural commodities shall be subject to apportionment pursuant to this section."

Mr. ANDERSON. Mr. President, the committee attempted to exempt price-support operations from apportionment under the provisions of the bill. The Department has other activities than price-support operations. They have certain activities under section 32. My amendment merely makes it possible for the Department to proceed in an orderly fashion without attempting to apportion the operations between any particular months or any 6 months' period. I have discussed the amendment with the distinguished Senator from Georgia [Mr. RUSSELL] and I am sure he knows that is true.

Mr. RUSSELL. Mr. President, I can see no

possible objection to the amendment, because the section 32 funds cannot be handled on such a basis as has been proposed. Unless the amendment is adopted, the effectiveness of the section 32 program, as well as the price-support program, would be destroyed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MAYBANK. We have cut the Marshall plan funds, and we have made other cuts. How much of a cut does the Senator's amendment represent. I realize, of course, that the cut will not apply to section 32 funds, but there may be a reduction in employees.

Mr. ANDERSON. No, Mr. President; the amendment has nothing to do with reduction. The amendment simply means that, if a price-support program is begun on cotton, for example, cotton cannot be supported for 6 months, and then an attempt be made to divide the money on a year's basis, and apply half of it to one period and half to the other.

Mr. RUSSELL. The amendment does not provide for any reduction at all?

Mr. ANDERSON. No.

Mr. RUSSELL. It merely deals with antideficiency provisions of the bill. It has nothing to do with reduction or increase in appropriation.

Mr. ANDERSON. The Senator from Georgia is entirely correct.

Mr. BRIDGES. Mr. President, may we have the amendment explained again by the Senator from New Mexico?

Mr. ANDERSON. Yes; I shall be glad to explain it. Under the language adopted by the committee attempt was made to exempt price-support operations from the provisions of the bill. The Department does other things in addition to carrying on price-support operations. It has certain activities under section 32, which is not really a price-support operation. The language I suggest in my amendment merely makes it possible for the Department to proceed in an orderly fashion, without attempting to apportion the operation between any particular months or any 6 months' period. I am sure there is nothing wrong with the amendment.

Mr. BRIDGES. Does it increase the amount of money available?

Mr. ANDERSON. Not in the slightest.

Mr. RUSSELL. No, not in the slightest.

Mr. BRIDGES. What is the advantage of it, if there is not an increase?

Mr. ANDERSON. If the Department of Agriculture had to apportion its section 32 funds, 6 months in one period and 6 months in another period, it might throw the entire program out of balance. Mr. President, has the amendment been agreed to?

Mr. TAFT. Mr. President, was the amendment read?

The PRESIDING OFFICER. Yes, the amendment has been read. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON].

Mr. CORDON. Mr. President, I should like to call the attention of the Senator from New Mexico to what I think is adequate language on page 472 of the bill which would make his amendment unnecessary.

Mr. ANDERSON. Mr. President, I wish to say to the Senator from Oregon that it is because the language on page 472 is not adequate, that the amendment has been offered.

Mr. CORDON. I am not going to object to the amendment, but I should like to read into the Record at this time the provision which appears on page 472, paragraph (d) (2):

"Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price-support programs."

I have made some little study of this subject over a period of years. I know that it is not contemplated under the language of

the bill itself that there be apportionment in connection with funds which are used in seasonal or emergency operations. The amendment in itself, so far as I can see, can do no harm. Perhaps it might satisfy someone who has a doubt as to the effect of the language of the bill without it. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Over the past several years amendments have been offered to the agricultural appropriation bill from time to time which would restrict the size of price-support payments or otherwise put a limit on the program.

Points of order made against such amendments have been overruled on the basis that the amendments constituted limitations and were not legislation on the appropriation bill.

This ruling is based on precedents of long standing which antedate the law establishing and regulating corporations. The ruling gives no recognition to the fact that, while such amendments have the form and appearance of limitations, they, in effect, would amend substantive legislation, such as the Government Corporation Control Act, the Commodity Credit Corporation Charter Act, and the Agricultural Act of 1949, as amended.

It is clear from the legislative history of the Government Corporation Control Act that there was no intention to modify in any way the charter or programs of the corporations.

When the bill was on the floor of the House its author, Mr. Whittington, among other things, said the following:

The committee took the view that ours it was to coordinate and correlate the corporations as we found them with the activities authorized by law and by their charters, so that we, in reporting this bill under the guise of auditing and supervision, in no wise change the substantive law under which any of these corporations are now functioning and are now authorized.

The bill was passed by a unanimous vote in both the House and Senate.

Amendments to restrict price-support payments are inconsistent with a number of provisions of the CCC Charter Act.

For example, this law authorizes the Corporation to make such loans and advances of funds as are necessary in the conduct of its business. The law also states that CCC shall determine the character of and the necessity for its obligations and expenditures.

The Agricultural Act of 1949, as amended (7 U.S.C. 1421) directs the Secretary of Agriculture to provide price support on various commodities. Restrictions on the size of loans or payments which could be made would be inconsistent with the mandatory and other provisions of the law and would make it impossible for the Corporation to carry out the price-support program as authorized by the Congress.

The Antideficiency Act is further recognition by the Congress that corporations are not susceptible to the types of control which govern other operations was the amendment of the Antideficiency Act to exempt from apportion-

ment funds for price support and surplus removal.

It seems clear that the crux of the problem is the inability to gain recognition that an amendment which on its face appears merely a limitation may be much more. Such an amendment can legislate out of existence a program authorized by the Congress in substantive law, and financed in large part by funds not carried in the appropriation act containing the restriction. The concept of what is and what is not a limitation needs to be reviewed and refined. It is no longer feasible to rely merely on the form and content of an amendment in making this determination.

The following are examples of points of order against amendments to restrict the price-support program:

1. Agricultural Appropriation Bill, 1960 (Congressional Record for May 18, 1959, pages 8337-8338):

Mr. AVERY. Mr. Chairman, I have an amendment at the desk on page 27.

The CHAIRMAN. The clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. AVERY: Page 27, line 18 strike out the period, add a colon, and insert "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Mississippi desire to press his point of order?

Mr. WHITTEN. I would like first, Mr. Chairman, if it is agreeable to the Chair, to answer the gentleman's statement in support of his amendment and then make the point of order.

The CHAIRMAN. The Chair would suggest that the point of order should probably be disposed of first.

Mr. WHITTEN. Mr. Chairman, the point of order I make is this: The Commodity Credit Corporation is chartered and its charter gives it certain authority. The language which the gentleman offers is legislation.

We are here dealing with the administration of the Commodity Credit Corporation in this bill. The gentleman's limitation would apply to what the Corporation could do and would have the effect of amending the charter of the Commodity Credit Corporation.

May I say in addition to that, the approach that the gentleman makes sounds very good. But actually it would destroy, in my opinion, the farm program that we have left and would be many, many times more expensive to the Treasury than the existing situation. I would like to explain why. If you limit the amount of loans in the program for stabilizing income and stabilizing prices, the Government is going to get its money back through sales of the various commodities. But the minute you put a limit on the production that can go into the Commodity Credit Corporation, and leave the rest out, that part that is out is going to get the business, domestic and foreign, and the Government will be left with the rest. You have to keep it in or take it out.

There are lots of things that we need to do to change and improve the agricultural program. We have tried to touch those things in this bill. If this amendment were put into effect, that part that is out would get all of the domestic and foreign markets, and the part that the Government has would not be sold.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman is discussing the bill, not the amendment.

The CHAIRMAN. The Chair has indicated to the gentleman from Mississippi that he would prefer to dispose of the point of order. The Chair would further point out that the time consumed on the point of order will not be charged to the gentleman, whereas the time consumed in speaking on the merits of the bill would.

Mr. WHITTEN. Mr. Chairman, I would like to point out again that this amendment would have the effect of changing the authority of the Commodity Credit Corporation under its charter.

I respectfully submit the amendment is legislation on an appropriation bill and imposes restrictions not included in the law.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. AVERY. Yes, Mr. Chairman. I would like to ask our distinguished chairman of the subcommittee, Does the language of my amendment differ materially from the proviso that precedes it on page 27? It seems to me they are all directed against the basic legislation. My amendment, to me, would appear just as appropriate as the amendment the gentleman, himself, wrote in the bill. I would not think he would want to raise a point of order against his own language.

Mr. WHITTEN. Mr. Chairman, if I may be heard, the provisions the gentleman refers to have reference of funds in this bill and this paragraph. The gentleman's amendment would go to the authority of the Commodity Credit Corporation to use its capital which is not provided in this bill. The Corporation normally operates through borrowing authority granted in other legislation.

The CHAIRMAN (Mr. Kilday). The Chair is prepared to rule.

The gentleman from Kansas has offered an amendment, which has been read by the Clerk. The gentleman from Mississippi makes the point of order against the amendment that it is legislation on an appropriation bill.

The Chair would point out that the amendment by its language is a restriction upon the purpose for which the funds appropriated in this bill may be used.

The Chair would point out further that even though there should be an existing liability on the Government or should be through other legislation granting powers to an organization of the Government, still a provision in an appropriation bill limiting the purpose for which the funds appropriated in that bill may be used is a limitation and not legislation.

The Chair, therefore, overrules the point of order.

2. Supplemental Appropriations, 1965 (Congressional Record for January 26, 1965, pages 1185-1186):

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 2, line 3, strike the period at the end of the sentence and insert the following:

"": Provided, That no part of this appropriation shall be used to formulate or carry out any price support program providing further payments during the fiscal year 1965 to any person, partnership, firm, joint stock company, corporation, association, trust, estate, individual, or other legal entity, pursuant to the provisions of section 348 of the Agricultural Adjustment Act of 1938, as amended."

Mr. WHITTEN. Mr. Chairman, I reserve the point of order.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] reserves the point of order.

Mr. WHITTEN. Mr. Chairman, could I be heard at this time on the point of order?

The CHAIRMAN. The Chair shall be glad to hear the gentleman from Mississippi on the point of order.

Mr. WHITTEN. Mr. Chairman, I wish to say at the outset that I have sent for the Corporation Control Act. I am sorry I do not have it at my fingertips.

Mr. Chairman, the Commodity Credit Corporation is a corporation, as I said earlier, and as a corporation it is given certain authorities in its charter. As a corporation it has all the acts, rights, and duties of a corporation with certain exceptions.

Under the Corporation Control Act of some years ago—and I am speaking from recollection, and as I explained to the Chair I will have the act before me in a minute—we provided that the Congress could supervise the operations of these corporations, but that Congress could not prevent the Corporation from discharging the functions as provided in that charter except by amending the Charter Act, which of course would require legislation—and such would be subject to a point of order here.

Now, Mr. Chairman if perchance this amendment were to be held in order—and I trust that it will not—it would provide that this particular fund should not be, but this Corporation in turn can use the payments that it receives from the sale of commodities and those funds would be available for this purpose. There is no separation within the Corporation of its funds.

While in the Appropriation Act that we have before you we have described three different activities of the Corporation as indications of where losses occurred and we have provided that those funds are justified because of these losses. But as a corporation, once these funds are made available to the Corporation by restoration of its borrowing authority, they are then pooled and they are pooled in the Corporation's borrowing authority for all the purposes of that Corporation.

Mr. Chairman, I respectfully insist that, first, the only authority remaining to the Congress is to supervise this Corporation in its operation as provided by law. It says specifically that it shall not be used to prevent the Corporation from discharging its responsibilities with all the authority that a corporation enjoys.

Second, that the funds or the borrowing authority of that Corporation, once it is received, is there for all purposes.

Mr. Chairman, if this amendment were permitted it would require a division of those funds within the Corporation and would require additional duties on its officers. Let me explain why this would be so. These funds will go there, but in addition to these funds the Corporation will have funds from the sale of commodities. It would require additional work on the part of the officers to separate the funds received from the sale of commodities from funds that might be made available here.

Mr. Chairman, I respectfully submit that in the long line of decisions that where what purports to be a limitation, if it imposes additional duties upon the officers or the agents of the Government dealing with it it has been held not to be a limitation and, therefore, subject to a point of order.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FINDLEY. Mr. Chairman first of all the gentleman from Mississippi knows very well that the Commodity Credit Corporation is a creature of the Congress, a child of the Congress; therefore the parent can control the rules which govern the child. I further direct the attention of the gentleman to the

bottom of page 5 of the hearings in which the gentleman from Mississippi said; "Some of the laws require the Department of Agriculture to support the price of certain commodities and it is a violation of the law not to support them. We have other laws that say if they do support them and the Corporation does not have the money they are in violation of the law."

He pointed out the conflict here in the present law, and it is up to us today as the parents of the Commodity Credit Corporation to resolve the conflict.

The effect of my amendment is a retrenchment, and it is within the Holman rule. It is a limitation and I believe it is in proper order.

The CHAIRMAN (Mr. Harris). The Chair is ready to rule.

The joint resolution before the Committee at this time is a joint resolution making supplemental appropriations for the fiscal year ending June 30, 1965.

The gentleman from Illinois [Mr. Findley] has offered an amendment which provides that no part of the appropriation shall be used to formulate or carry out any price support program, provide for further payments, and so forth.

The Chair has considered the arguments of the gentleman from Mississippi [Mr. Whitten] and the gentleman from Illinois [Mr. Findley]. Apparently there is no question raised as to the germaneness of the amendment.

The amendment being germane to the bill before the Committee, the question is whether or not it is a limitation.

The Chair feels that the proposed amendment is a limitation in that it applies only to the appropriation before the Committee at this time. The Chair therefore overrules the point of order.

3. Agricultural Appropriation Bill, 1966 (Congressional Record for May 26, 1965, page 11662):

The CHAIRMAN. Does the gentleman from Mississippi press his point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. This amendment would require the keeping of books, it would require substantive additional duties on many people because many producers produce many different crops. This would be legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard?

Mr. DINGELL. Mr. Chairman, if I may be heard, I would point out this is very simple. I am sure the gentleman from Mississippi knows no duties are imposed upon any persons by this. It says:

"No part of any funds appropriated by this Act may, in any fiscal year, be used, directly or indirectly, to make payments to any person, partnership or corporation in an aggregate amount in excess of \$50,000 in connection with any price support program or combination of programs for price support or stabilization."

This is really a limitation.

The CHAIRMAN (Mr. Keogh). The gentleman from Michigan [Mr. DINGELL] offered an amendment to page 37, line 2, which is a new section, and reads as follows:

"No part of any funds appropriated by this Act may, in any fiscal year, be used, directly or indirectly, to make payments to any person, partnership or corporation in an aggregate amount in excess of \$50,000 in connection with any price support program or combination of programs for price support or stabilization, irrespective of whether such payments are on account of loans, purchases, or subsidies or are otherwise authorized."

To which amendment the gentleman from Mississippi makes the point of order that it is legislation on an appropriation bill.

The Chair is of the opinion that since the

amendment is directed to funds appropriated by the pending act, the phrase "in any fiscal year" is not applicable, nor in fact is it necessary. But the Chair is further of the opinion that this is an express limitation on the funds appropriated by the pending bill, and holds that the amendment is in order, and overrules the point of order.

4. Agricultural Appropriation Bill, 1968 (Congressional Record for June 6, 1967, pages H6701-H6702):

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 34, line 18, after the word "hereof" strike the period and insert the following:

"Provided further, That none of the funds appropriated by this Act shall be used to formulate or carry out price support or commodity programs during the period ended June 30, 1968, under which the total amount of payments in excess of \$25,000 would be made to any single recipient as (1) incentive payments, (2) diversion payments, (3) price support payments, (4) wheat marketing certificate payments, (5) cotton equalization payments, (6) cropland adjustment payments, and (7) compliance payments."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Mississippi [Mr. Whitten] reserves a point of order.

Mr. WHITTEN. Mr. Chairman, I rise to make a point of order against the amendment. While the gentleman's amendment applies to a number of things that might be tied to appropriations in the bill, the amendment will stand or fall on all of its provisions. As I pointed out earlier, the Commodity Credit Corporation was set up as a corporation with certain rights and powers. Later it was brought under surveillance, and under both acts which brought it under congressional surveillance it was provided that—

Nothing in this act of surveillance shall interfere with the operations of the Corporation in maintaining price supports.

If you read the amendment that has been offered by the gentleman from Illinois, you will see that item 3 states: "Price support payments may not exceed \$25,000." So that language clearly would interfere with price-support payments and would repeal the two acts that I mentioned. It would, to that extent, change the authority of the Commodity Credit Corporation.

Some of the other provisions in the amendment might be in order, but if you look at provision No. 3, it states:

None of the funds in this bill may be used for payments in excess of \$25,000 for price support payments.

So it comes clearly within the arguments that I made on the other point of order with respect of the amendment of limit total expenditures of the Commodity Credit Corporation.

Mr. Chairman, I respectfully submit that the point of order on the amendment should be upheld.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. FINDLEY. Mr. Chairman, I believe the amendment comes clearly within the Holman rule. It is negative. It represents a retrenchment. It designates things for which funds may not be spent.

I would call the attention of the Chair to page 11248 of the Record of May 26, 1965.

On that occasion the gentleman from Illinois [Mr. Michel] offered an amendment which had almost the same, almost the precise language—the substantive phrases at least. The Chair overruled the point of order made by the gentleman from Mississippi [Mr. Whitten]. So I do believe this is

very much in order and in keeping with previous amendments of the same sort.

The CHAIRMAN. The Chair is ready to rule.

On January 26, 1965, the gentleman from Arkansas, Mr. Harris, was in the chair when a similar amendment was offered to a bill appropriating funds to reimburse the Commodity Credit Corporation. The Chair ruled that the proposed amendment was a limitation that applied only to the appropriations carried in the bill before the Committee at that time. The Chair therefore overruled the point of order.

Also, on May 18, 1959, when the Committee of the Whole had under consideration the Agriculture Department appropriation bill, which included funds for the Commodity Credit Corporation, an amendment was offered by the gentleman from Kansas, Mr. Avery, which provided that "no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000." That amendment was held to be a limitation and in order by the Chairman, the gentleman from Texas, Mr. Kilday.

The Chair holds that the amendment is a limitation and, therefore, the Chair overrules the point of order.

On this basis, I respectfully ask the Chair to reverse the prior decisions and let this Corporation operate as a corporation which, as the Congress said in at least six instances, it intended for the Corporation to do. I ask the Chair to overrule its prior decisions.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard?

Mr. FINDLEY. Briefly, Mr. Chairman.

Insofar as I could follow the comments of the gentleman from Mississippi, I think I am fair in stating that the central arguments added by these comments were covered thoroughly, even though more briefly, last year when the gentleman made his argument to the Chair at that time. In fact, if my recollection of what he quoted from the previous acts of the Congress in relation to the Commodity Credit Corporation are what I believe them to be from listening, then it was from this very language that the gentleman from Mississippi last year quoted in argument to the Chair.

Mr. WHITTEN. Mr. Chairman, may I be heard briefly?

The CHAIRMAN. The Chair will hear the gentleman from Mississippi.

Mr. WHITTEN. I merely wish to say that last year I spoke off the cuff and from my recollection. Since that time I have taken time to brief this point. I have the brief before me. I delivered it to the Parliamentarian, earlier. In the brief I cite chapter and verse to support my position that this amendment violates numerous actions of the Congress to prevent just such an amendment.

The CHAIRMAN. The Chair has read the amendment and is ready to rule.

Consistent with the decision of Chairman HARRIS in 1965 and Chairman Kilday in 1959, and consistent with the Chair's own ruling on June 6, 1967, the Chair finds that the amendment is a limitation on appropriations.

Mr. WHITTEN. Mr. Chairman, in view of the seriousness of the Chair's ruling, I ask for an appeal.

The CHAIRMAN. The Chair would like to conclude his statement and then he will recognize the gentleman.

To proceed, section 2 of rule XXI provides, in part, as follows:

Nor shall any * * * amendment thereto changing existing law be in order, except as being germane to the subject matter of the bill shall retrench expenditures * * *.

It is also noted by the Chair that the amendment refers to funds appropriated by this bill. The Chair therefore overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I withdraw my appeal. Having been a party in trying to protect the Corporation through the years, I know it is most unusual to ask for an appeal. In view of that, I withdraw my request.

Mr. ADAMS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, many of us support great sections of this present bill, but the particular section we have been discussing, the Commodity Credit Corporation, has given us a great deal of difficulty, and for one particular reason. I think it was well brought out in the argument that just took place on the point of order, that you cannot reach this Commodity Credit Corporation through the normal appropriating process unless something like this is done.

The Commodity Credit Corporation is a spillover fund. It is like having two wells and the Agriculture Committee can go to either one it wants. This bill indicates there has been a cut in the bill, but in the subsidy program there has been no cut. If we turn, for example, to the bill, or to the report, we find it is indicated there will be a cut in the subsidy payments of approximately \$460 million, but actually all that is being done is taking a lesser payment by appropriation on the cumulative losses of the Commodity Credit Corporation.

Each year this happens. Last year, for instance, when the budget was tight, we paid from the budget a smaller amount of the cumulative losses of the Corporation and thus we took a reduction in the budget. This year, if the budget is tight, we do not have to pay back so much of the loss. Next year, if the budget is not so tight, we can go in with a little bit more in the appropriation bill to pay back the losses of this year and prior years. Thus the appropriation process is avoided.

This is the first appropriation bill. During the year we will be asked to raise taxes and to make cuts in all the Federal programs. Many of us will be watching with a great deal of interest the votes of the men who do not want to cut this bill but who want to cut other bills designed to meet our other national needs. Some of us will have to cut bills we are in favor of to meet the budget deficit. That is why last year I supported the chairman of the committee on an across-the-board cut, because I know how hard it is to cut each particular program.

If we take the losses of last year—and as the gentleman mentioned, we are always paying the Corporation for losses incurred in the years before—there we find a loss of \$2,775,000,000. This is set forth in the report. If we were to take also the figure set forth in the report

that only 6 percent of the people in America are still on the farms, this would be approximately 1,200,000 people. We could take the losses for last year alone in this Commodity Credit Corporation and give every farmer a check for \$2,000, just hand it to him, and this would give everybody direct aid.

We are talking about aiding the people in the cities and suburbia, and I think we should make it very clear to the public that through the Commodity Credit Corporation we are also making direct payments to farmers.

We are worried about the small farmer. The reason for this amendment is the fact that some of the subsidy payments are huge, and the subcommittee report of last year reflects the exact payments. If we want to help the small farmer and get him out of the city and back onto the farm, we should be directing a type of payment directly to the individual either through direct payments or at least by limiting the very large payments to a few farmers.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a correction?

Mr. ADAMS. I yield to the gentleman from Iowa for a correction.

Mr. GROSS. Mr. Chairman, the gentleman said this was the first appropriation bill this year. I point out to the gentleman this is the second regular appropriation bill.

Mr. ADAMS. Mr. Chairman, I thank the gentleman for pointing out this is the second appropriation bill. He is correct. My point is that there are 12 more appropriation bills coming, and when these 12 bills come in and mention is made on the floor that we should cut each of these bills, some will be asking where and how we should cut. The present amendment, it is estimated, would save half a billion dollars, which will fund many of the programs we spend hours arguing about cutting. For example, we will be arguing about \$9 million, and \$23 million in bills such as the public television bill or gas pipeline safety. I will be asking, when these bills come up, how many could have been funded out of this kind of cut.

Suppose we do not replace the loss in the Commodity Credit Corporation this year. It has a \$14.5 billion total borrowing ability on which to operate. If we did not pay this loss this year the total past borrowing of the Corporation would go from approximately \$9 to \$11.5 billion. This would leave about \$3 billion in the Commodity Credit Corporation to use for lending and for subsidies. We would have a \$2.7 billion saving in the budget on this item alone.

I think the Appropriations Committee this year has an exceedingly difficult job, and what we are pleading for today is to let us look at all the bills—just as some of the gentlemen are urging we look at some other bills—and not pass this one in full form and then cut the others.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say this bill provides for a reduction in obligational authority of \$1,400,000,000. That is what they would have to contract for which would have to be spent later. It provides for an actual cut of

\$414 million in expenditures in the next year from amounts which were available for us to cut. That is an actual expenditure cut of from \$2.1 billion to \$1.6 billion.

We have met our responsibilities under this and have cut deeply. And I say the funds in this bill have to do with many other programs, including the school lunch program, the food stamp program, and many other things that do not have to do with agriculture.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(On request of Mr. WHITTEN, and by unanimous consent, Mr. ADAMS was allowed to proceed for 2 additional minutes.)

Mr. WHITTEN. Mr. Chairman, I call to the attention of the gentleman one thing, and I am not trying to stir up problems anywhere. Where labor is concerned, the laws say that they can get a bigger segment of the consumer's dollar in a way where it is not obvious to the public. Unfortunately, in agriculture it sticks out like a sore thumb. The programs enabling the 6 percent to feed the rest of the people stick out like a sore thumb.

But the amount involved is "peanuts" compared to what is passed on to the consumer in the retail price as a result of the laws passed by Congress for bargaining rights and minimum wages. When we slash the one, let us look at what the Congress has done for the other, which does not show.

Mr. ADAMS. I believe I pointed out, with regard to the \$1.4 billion, in the savings involved there is included \$460 million which was spent last year but we are not paying it back this year.

I agree with the gentleman that we should be aiding the farmer. The point is how should we do it. The farmer is like a man on a rock and stranded. This bill is like trying to bring the ocean up to float him off. What I advocate is to go out with a boat and help him.

If we allow prices to seek their own level and give direct aid, we could accomplish a great deal to help the small farmer.

Mr. WHITTEN. Would the gentleman be willing for labor to follow the same line of reasoning—let them go out and get what they can. Will he be willing to repeal all minimum wages and all rights of labor to bargain?

Mr. ADAMS. This is not all comparable with what we are talking about.

Mr. WHITTEN. Yes, it is.

Mr. ADAMS. We are talking about supporting aid programs directly to the farmer, to assist him, but this bill would continue to raise the entire price level through subsidy programs, by giving large payments to a small number of farmers.

We must cut this budget and this program is not a crisis program and should bear its fair share of the necessary cuts.

Mr. BATTIN. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from South Dakota.

(Mr. BERRY asked and was given

permission to revise and extend his remarks.)

Mr. BERRY. Mr. Chairman, I want to commend the Appropriations Committee on sparing the ax on the Agriculture appropriations bill. It is true some levels of the bill were reduced, but by and large Agriculture has probably fared better than any other department in this appropriation today.

I think the principal reason why the Agriculture appropriations bill has fared so well is that there is no segment of the American economy that is suffering as much as agriculture. In comparison with the income of other segments of the economy, agricultural income is only 74 percent of the balance of the national income, known as the parity level.

With the prices going up on everything the farmer must buy and the prices going down on what the farmer has to sell, it is the farmer who should be marching on Washington rather than the so-called poor march. Of course, the farmer is not going to resort to any march on Washington. He knows the condition of the U.S. Treasury and he appreciates what Congress has been able to do insofar as the appropriation of tax funds is concerned.

Mr. BATTIN. Mr. Chairman, I believe it could be fairly stated that if this amendment offered by the gentleman from Illinois were to pass, what has been attempted by many over a period of time would be successful. There would not be any farm program as it has been known for the past number of years.

When we recognize the fact that 80 percent of the food produced in this country is produced by some 10 to 12 percent, the farmers, we realize that if we place a limitation of \$10,000 on payment from whatever source, the large farmer is not going to comply with the program. They will produce as much as they want and in a very few years we will be back here trying to figure out how to eliminate the great surpluses of food and fiber. The farm program is far from perfect and needs better administration. To use the suggested approach would in fact destroy the farm economy. We all know how bad it is at the present time but 1 hour's debate could do immeasurable harm. Far more consideration is needed.

Actually, we are dealing now with an appropriation bill, not with any suggested changes in the agricultural law. It would seem logical to me—and I hope to most—that if we are to have any drastic changes in the agricultural law, we should be debating that very problem when that bill comes up for renewal here on the floor.

The basic function of the Appropriations Committee, as I understand it, is to fund programs, not write new legislation. The Appropriations Committee is not putting money in for programs that were not originally passed by this House and by the other body and signed into law.

Now we are really being asked to change these programs. This is the responsibility of the legislative committee. The House Committee on Agriculture has jurisdiction and the changes should be considered by this committee.

Every farmer who has to go to the implement dealer to buy a piece of ma-

chinery or who has to have financing has had to show his banker or the machinery dealer that he can pay for his needs and that he has a certain sized operation and that his income is sufficient to repay his loan.

Part of that income is the payments that he receives from participation in the program. If you cut the payments off, you will not only raise havoc in the agricultural community, but you will damage the credit market to a very great extent.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I will be happy to yield to the chairman of the Committee on Appropriations.

Mr. MAHON. Would the gentleman agree that the effect of the adoption of this amendment would be to do injury both to the farmer and the consumer. I join my friend in strongly opposing the amendment.

Mr. BATTIN. I agree completely. In 1 year or 1½ years' time it will have some basic effect, but when we get the surpluses back because people will not comply with the program and instead will go out and produce as much as they can and sell as much as they can, then the small farmer will not be able to make the grade. If you talk about a commercial farmer today, he will be the corporate farmer tomorrow who is in a position to bargain with the consumer and set the price. Competition is good, and you will not have competition if you take the man who is the small farmer and put him out of business. If the large farmer does not choose to comply, then the basic program will fail and Congress will abandon this and the small farmer is out on his ear.

Soil bank payments, conservation payments, and other farmer programs are contracts that have been entered into between the farmers and the Federal Government. The Constitution of the United States prohibited laws that abrogate contracts. I think this is a very serious problem, and I do not think it can be handled in an appropriation bill here on the floor of the House of Representatives.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield to me?

Mr. BATTIN. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, I would like to agree with the gentleman from Montana. As a practical matter, how can a person farm 80 or 160 acres and pay \$10,000 for a tractor, which is only one piece of machinery that he has to have? I think this actually is putting a very high burden on the person trying to farm efficiently.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I agree with every word that the distinguished gentleman from Montana just spoke in the well. I must say the author of this amendment, the gentleman from Illinois, is an expert on farm programs. He is a former member of the Committee on

Agriculture, and he knows these programs as well as any Member of this House. I know he is candid enough to tell you that this amendment is directed right at the heart of our farm programs. It is not directed at eliminating excess payments at any particular level, of \$100,000 or \$200,000 or \$1 million. It is directed at making the present farm programs unworkable. I say that because the gentleman knows if his amendment were adopted, many commercial farmers would not be able to receive payments that they are now receiving under existing programs. We listen to the same argument made every year here. Some Member cites a \$1 million payment that was assertedly made to someone in some State. Like-minded Members propose a \$25,000 payment limitation or, as they have done this year, they suggest the ultimate—a \$10,000 payment limitation. If the gentleman is really interested in eliminating these very large payments, let him talk in terms of \$1 million or \$100,000. However, the gentleman knows that this \$10,000 limitation cuts into the day-by-day operation of commercial agriculture in this country.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. If I have some time, I will yield to you at the conclusion of my remarks.

What we have to decide here, Mr. Chairman, is whether we are really interested in helping farmers at all. My colleague, the gentleman from Washington [Mr. ADAMS], says that we are interested in small farmers. The fact of the matter is that if we pass this amendment, all the farm programs will become unworkable overnight. An insupportable burden will be placed not on the big farmers but on the small farmers. The Department of Agriculture would have to put additional acreage limitations on the small farmers throughout the country in order to maintain any kind of reasonable control over supply.

Who is going to survive in an out-and-out unbridled competition in agriculture? Or will the small farmer survive? Obviously the small farmer is going to be driven out of business by the large farmer and the corporate farmer; the small farmer will be driven into the cities.

Mr. Chairman, as the gentleman from Montana [Mr. BATTIN] has so well suggested, we will have corporate farms which will eliminate the small family farmer. And, then, Mr. Chairman, those who think the consumer will benefit will be most surprised.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. Yes, I yield to the gentleman from Illinois since he offered the amendment.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding. The gentleman from Washington obviously feels that the \$10,000 is not enough for a single recipient. In that event, just how much does the gentleman think would be a fair level of payment to them each year?

Mr. FOLEY. The problem is that the

gentleman has given the impression—whether he intended to do so or not—that \$10,000 payment is a profit. \$10,000 that represents a figure which in the operation of farms may reflect a 90 percent cost.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Minnesota.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. I disagree with the statement which has been made by the gentleman from Washington but does the gentleman realize this: that there are 3 million farmers throughout the country and only 29,000 receive more than \$10 million. We are talking about 29,000 large farmers who should be able to do this job for \$10,000. That is a pretty good Government pay.

Mr. FOLEY. Well, I question that statistic.

Mr. QUIE. Mr. Chairman, if the gentleman will yield further, I will let the gentleman read it from the book.

Mr. FOLEY. We are talking about payments in wheat which represent 8,000 bushels of wheat on which they would receive a 75-percent marketing certificate and a 50-percent acreage allotment payment under the present system of allowances. There are many farms located in my area which produce more than 8,000 bushels of wheat on which these payments are made.

The present farm program is based on the theory of payments to farmers for compliance with the program restrictions and limitations. If we deny payments to commercial farmers no substantive compliance can be achieved and the acreage and other restrictions designed to limit our productivity to our needs will be useless and ineffective. The result will throw the entire agricultural economy out of balance with very serious consequences for consumers and farmers alike.

Mr. QUIE. Mr. Chairman, I rise in support of the amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, there are about 3 million farmers in the country. All of them do not receive payments. That fact is true. But those who do receive payments, the amount of money going to farmers who receive less than \$10,000 is \$2.6 billion; 29,000 farmers receive more than \$10,000 in payments, totaling \$600 million. We are getting a tremendous amount of retirement of acreage from small farmers. Some farmers make the point that \$25 or \$100 is not enough to get into the program, and they may not get into the program. But a large farmer who would be limited to \$10,000 would, no doubt, think twice before dropping out of the program and lose his \$10,000.

It is also true that some small farmers need this payment in order that they can practically break even or make a little bit of profit.

But the large farmers, those 29,000, I would think those who receive \$12,000, \$13,000, would get into the program for

\$10,000, but why pay some of them \$500,000, or any of the astronomical figures in this book. As the Members know, we have a problem in our National Government—we are running out of money.

Mr. WAGGONNER. Mr. Chairman, would the gentleman yield?

Mr. QUIE. Not at this moment. I will later.

Mr. Chairman, I believe we have to find places to cut expenditures, and I would believe this would be a most ideal place to cut them in order that we have money to pay for programs that we must continue.

Mr. Chairman, there are people in this country who are earning little or nothing, and we have to figure out some way of financing programs to assist them. Federal, State, and local government for the most part finances education. I believe it would be a terrible thing if we cut back on educational programs. Also I believe it would be a terrible thing if we were to cut back on the school lunch program, or the food stamp program, because there was not enough money.

Mr. Chairman, I believe if we are going to save some money we should save it here. I believe this is the ideal place where we can do it.

Mr. PUCINSKI. Mr. Chairman, would the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. PUCINSKI. If what the gentleman from Washington said is correct, then this is going to be hard on the small farmers, harder than on the big farmers, and I would presume that that is so.

As a person from the city, I do not understand all these matters relative to the rural areas, but I would ask the gentleman why is it that the big, the rich farmers are getting bigger and richer and the small farmers are dying out and disappearing from the farming communities?

Mr. QUIE. I can tell the gentleman why.

Mr. PUCINSKI. Maybe it is because of these Federal programs, and because of this Federal assistance. Maybe that is one reason the big farmers are getting bigger and richer. I say this as a city fellow who does not claim to have any great knowledge about the farmers.

Mr. QUIE. I know farmers, and I voted for most of these farm bills.

I believe we should have a limitation on direct payments. But it is the large farmer, when he knows he will get a price guarantee from the Federal Government, and who knows he is going to get a certain amount per bushel, or per acre, who can make a venture into a large operation. This is a guarantee he knows is going to come to him, and he has the assurance that he is not taking a gamble, and he is able to use these programs.

This amendment would not hurt the practically 3 million farmers who receive less than \$10,000 in payments from the Federal Government and the 29,000 who receive more than \$10,000 would be able to continue receiving \$10,000 per year from the Federal Government.

I really think that \$5,000 would be enough, but I will go along with \$10,000 in order to be really magnanimous.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentleman has cited some statistics—that we have 3 million farmers, and that only 29,000 of these 3 million farmers receive payments in excess of \$10,000. The gentleman is pretty good with statistics.

Could the gentleman tell me what proportion of the agricultural production these 29,000 farmers are responsible for?

Mr. QUIE. I do not have that figure handy in the book. We have the book here.

Mr. WAGGONNER. The gentleman does not want the House to really know. Is that the case?

Mr. QUIE. That information is not in this book. Someone said that it is a sizable amount, and I am sure it is true that the large farmers produce a large amount of produce, with a higher percentage, much higher in production than the small farmer, but the large farmers should be able to run their business by themselves, they are evidently pretty capable to have been able to acquire these large acreages. That is evidently why they have been able to get so much land, and therefore they ought to be able to do without the Federal Government subsidizing them to an extent greater than \$10,000. I do not believe that is necessary at all.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KUYKENDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as some of my Republican colleagues are aware, on every motion to recommit, I have supported the position of the 5-percent-cut Bow amendment; I have done this on every such amendment that has come on the floor of the House, since I have been a Member, and I will be very happy to support the Bow amendment on this particular appropriation.

However, I am in opposition to this amendment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KUYKENDALL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Does the gentleman understand that the Bow amendment as proposed yesterday provides for \$28 million more than does this bill?

Mr. KUYKENDALL. I will support a 5-percent cut on this entire appropriation. But the idea is this—and I am going to talk about cotton because I do not know anything about wheat or corn, but I do happen to know something about cotton coming from Memphis, Tenn., the cotton capital of the world.

The idea that a farmer who is concerned with the cost of his own small production of cotton, and then suddenly has his income per bale cut from \$45 to \$50 per bale will produce economic dis-

aster. Without even the studied—Mr. Chairman, without even the studied or the considered judgment that should be given to such serious legislation, this abrupt cutthroat approach is being proposed.

Next year or the latter part of this year, I know we are going to be debating a new agricultural program and in this particular amendment the sensible consideration of possibly a reduction on a graduated scale is not even considered—a guillotine. Let us say I, as a farmer, have 200 acres. I have a chance to get 50 more acres. But no, my cost is going to go up \$50 a bale on that next 50 acres.

When I first got in politics, some of the experts reminded me that this was a business that is largely a mathematical one of adding up the votes. Well, it is not hard to see on the floor of this House today that the percentage of the people on the farms who vote for them have shrunk to a very small 6 percent—let us not forget this—that this same 6 percent produces the food and fiber for this Nation for a smaller part of our gross national cost of living than any other nation in the world.

Were it not for commercial agriculture, this simply would not be true.

I agree with the gentleman from Montana that one of the reasons for the demise of the small farmer—one of the reasons for the problem that exists of the small farmer is the use of hundreds of thousands of small farmers for political purposes who have left the farm and gone to the cities.

I think this House has been largely responsible for creating some of these problems, and I think it would be grossly unjust for this House to use a guillotine approach just because we all know, those of us who have tried to be fiscally responsible on this floor—and those of us who have not tried to be fiscally responsible on this floor—every one of us knows that our constituents are going to hold our feet over that hot fire to cut expenditures and it behooves my good friend if nothing else to think of this—if this is the way to cut a few bucks.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KUYKENDALL. I yield to the gentleman.

Mr. EVANS of Colorado. Mr. Chairman, I would like to associate myself with the gentleman's remarks and ask those who propose this amendment to answer some questions which relate to the people who do business with the farmers like implement dealers and banks.

I would like to have the sponsor of this amendment to tell me what they are going to tell the bankers and implement dealers who are depending on this income from the farmers to support the contracts that have been entered into for the purchase of implements or for the repayment of loans.

I would also like for the proponents of this amendment to explain to the Members of the House what the Government is going to do with regard to land retirement contracts outstanding that still

have payments due under them which call for more than a total of \$10,000 per person.

I would also like to ask the supporters of this amendment what they will tell the marginal farmers who raise wheat and need more land for profitable operation but who cannot acquire more land for growing wheat more efficiently if the total resulting payments would exceed the \$10,000 limit imposed by this amendment.

These questions must be answered, but I believe cannot be to the satisfaction of farmers throughout this land.

I oppose this amendment.

Mr. KUYKENDALL. I thank the gentleman for his remarks.

I would like to remind the Members of this House that it costs about \$14,000 to buy a mechanical cottonpicker.

The gentleman from Montana is correct when he points out that only a relatively small part of this \$10,000 will probably be profit because the world market on cotton today is about 22 or 23 cents a pound and the support price is 28 cents per pound.

The average cost to produce cotton is 24 or 25 cents per pound and even the most efficient producers today can barely get their cost down to the world market picture.

When the farmer receives this \$10,000 that is supposed to make him rich, probably only about one-third of it—that is the difference because the cost of doing business, is profit.

Mr. RYAN. Mr. Chairman, I rise in support of the amendment.

As a matter of fact, as the sponsors of the "human renewal fund" are aware, I prepared and sent a letter to them this morning in which I proposed a similar amendment limiting farm subsidies. I noted that in a speech on April 3 the gentleman from New York [Mr. GOODELL] pointed out that some \$410 million could be saved by a limitation of \$10,000 per farm on farm subsidies.

The debate this afternoon has been very illuminating. We find the farm bloc divided, and we find some of the sponsors of the "human renewal fund" opposing the amendment which I thought was part of their program.

We were told that there are now some 70 sponsors on the other side of the aisle. I wonder how the "human renewal fund" whip system is working. I hope we will see those 70 Members on the floor voting for this amendment which they all subscribed to so heartily before.

At last Congress is beginning to talk about priorities and the deferral of non-essential expenditures.

There are any number of areas in which we can defer nonessential spending. Tomorrow we will have before us the NASA bill to authorize funds for the space program. I intend to offer some suggestions as to where funds may be deferred and reduced in that program.

In listening to the arguments against limiting farm subsidies, I detected support from the other side of the aisle for the idea of a guaranteed annual income. I hope that support will persist when legislation for it finally comes before this House.

I should point out that \$10,000 is a substantial sum of money. Think of what an outcry there would be if a mother on welfare with a dozen children in New York were to receive anything like \$10,000 in welfare payments. That family would be labeled welfare chiselers. But when a farmer receives \$100,000 for not growing who knows what, that is free enterprise.

I think this debate has been helpful in putting things in perspective. I do hope that, as we look at the appropriation bills this year, we will seek out areas where reasonable reductions can be made—in the space program, military programs, the SST.

Housing, education, antipoverty and other social programs have been short-changed too long. Four hundred and ten million dollars saved in agricultural subsidies would help. Think what half of this sum would mean to the rent supplement program. It would increase the fiscal year 1968 funding of rent supplements twentyfold.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I am glad to yield to the gentleman from Texas.

Mr. PRICE of Texas. I would like to point out that perhaps we might overlook the efficiency that large farmers have provided for the benefit of the American consumer in keeping food costs down. Ten years ago the American consumer was spending 25 percent of his disposable income for food. Today he is spending 17.7 percent for food. That is because of the efficiency and the progress of the farmer.

Another fact is that today only 5.4 percent of our population lives on the farm, and they are providing the means of income for 43 percent of our labor force in this country. They are directly dependent on agribusiness for their jobs. I think this is a point which we do not want to forget. Therefore, there are two points, the cheaper food that is provided, and the work that is provided to the labor force that is looking to agribusiness for their jobs. So these benefits are passed on to the American consumer.

Mr. RYAN. Much has been said about the efficiency and productivity of the farm, but I would like to point out that there are still thousands of people who are literally starving. The report recently issued by the Citizens Board of Inquiry into Hunger and Malnutrition said that between 10 million and 14.5 million Americans were seriously undernourished.

If the consumers is spending a smaller percentage of his income on food, that proves only that he may be earning more money and allocating it for other items. It proves nothing about the absolute or relative increase in the cost of food, which has been increasing.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from New York.

Mr. WYDLER. Of course, I am from a suburban area of this Nation, but I have always felt that we should help our fellow American citizens in trying to meet some of their very severe problems,

whether they live in the cities, whether they live in the suburbs, or whether they live on the farms. But it was always my understanding that this farm program was a program that was designed to help small farmers, and my eyes have been opened here today, as I am glad they were, to see that probably this program is not really designed to help the small farmers at all. If it is not, then we need a new program. And I certainly support this amendment. I think it is rational and reasonable in the present fiscal crisis in which this Nation finds itself, and this House should act affirmatively on it. I thank the gentleman.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment, and move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman, when this report was first brought in by the subcommittee, I felt that maybe it went too far. But I had appeared before the subcommittee and suggested to them that I would support any cut that they wanted to make in the agriculture budget, whether it be 5, 10, 15, or 20 percent, so long as they would undertake to cut other activities of the Government by the same percentage, because I recognize that we must all help cut the budget. Agriculture is not sacrosanct, but agriculture should not be a whipping boy, nor should we figure out some particular phase of the agriculture program which you can make the people at home feel is doing an injustice.

This program is maintained to balance the supply and demand of agricultural products and in that way to bring about something like an approach to a fair price for those products. We do not have to live on a farm to know that if we produce a half billion bushels more wheat than there is any demand for, the price is going to go down.

Our present farm program is based upon the assumption that we will induce a substantial amount of acreage to be retired from production of those crops where there is a possibility of too much production. We get that reduction primarily from those who are growing the largest amounts of wheat or of cotton or of any other commodity.

This is not a relief program. It is a crop adjustment program. In most years the effort is to remove certain acreage from production. You can only get that acreage from those who are planting it.

The present program pays a certain amount per acre to the man who reduces 1 acre and it pays 100 times that amount to the man who reduces 100 times as many acres. It pays at the same rate to everybody. We think that is a fair way, and I know that it is the only way we can get the substantial retirement of land that is necessary to bring about this desirable balance between supply and demand.

The program is not an effort to give anybody a guaranteed income, nor it is an effort to establish any figure for income which a family must have, but it is an effort to say that agricultural production will be balanced in the United States and that we will, therefore, have

a reasonable price without a Government subsidy.

To the extent that we do not balance our production, we are going to increase the amount of Government subsidies. That is just how simple this whole problem is. It is a question of whether we are going to pay out a great deal more in direct subsidies or whether we are going to try to balance supply and demand.

If we are going to balance supply and demand, then we must do it on the basis of getting the people out of production who are producing, and those are the large producers. We cannot get a man to stay in this program if we are going to take away from him the 75-cent wheat subsidy and make his wheat worth 75 cents less than some other man's wheat. He will not stay in the program. He will not retire any land. What he will do is to plant more wheat. This will result in a return to surpluses and a drop in the small grower's income. If you upset this supply-and-demand balance, the only way to maintain the income of the small producer is to either pay him a larger subsidy or to buy his wheat at more than the market price. Either way the cost to the Government is increased.

And since this amendment covers all kinds of payments, I think it is clear that it covers the dairy people of Minnesota as well as the sugar people of Hawaii.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I ask the distinguished chairman whether he will agree that, if this amendment is adopted, the whole system of supply and demand which is incorporated in the present Agricultural Act will be a ruin?

Mr. POAGE. Not only will it be destroyed, but the law itself provides—and that is one reason why I thought the Chair was in error when he ruled this amendment was in order—and this provision in Public Law 89-321 is found in section 402, section (d), subsection 12. It provides that if there is any limitation placed upon these payments, we then revert back to the Act of 1958, and the Government must buy the surplus, either directly or through a nonrecourse loan.

That is legislation and it is not an appropriation. We feel that this is a very unfair way to try to legislate. In this connection I cannot but feel like Shakespeare's Caesar when I see that the two major sponsors of this legislation voluntarily left the Agriculture Committee to go to some other committees. They should know the problems of maintaining a farm program better than most of the membership. I had hoped that they would be found helping, not stabbing, the program which has so long supported their people.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I say to my colleagues I hate to ask for recognition when we are trying to get through, and when there are some others on the committee to whom I would like to give some time.

I do want to mention two or three points, and I hope I may have the atten-

tion of the membership on these two or three points that are pertinent—however we feel about the present farm program.

I questioned some of its provisions, because I anticipated that what is happening here would happen—that too many people would think this was a gift out of the Treasury. I thought it would have been much better to have had the farmer assured a fair price at the marketplace and the consumer have to pay it, but I did not win that argument, and we are here with this today.

I want to talk about two or three things that I think leave no question that we should vote against this amendment. Whatever we might wish in the future, this amendment provides that we prohibit the use of this money to carry out programs which means existing contracts.

I do not believe that any Member here wants to renege on Government contracts. The farmers have acted under present law. They have set out to do the things required in the law. The large payments are brought about because they do things in a large way.

I have heard some of my friends say that this ought to be passed to look after the little farmer. If this is a relief program, we should never have had it.

Six percent of our people on the farm enable 94 percent of us to do something else. They have been able to do that by becoming big and by taking advantage of the economies of high-priced machinery.

Just as certain as we put on this limitation and cause the larger farms to be broken up into small farms, the cost to the American consumer will go up 25 percent.

The reason these payments are in here is because the Congress—and I am speaking for myself alone—did not have the nerve to say that the consumer should pay a fair price for what he buys at the marketplace.

With these payments, farm income has gone down in 6 years from 8 percent of investment to 6 percent.

I say to the Members, we will do three things if this amendment is adopted.

We will renege on outstanding Government contracts.

We will force the breakdown of large farms, where the average investment is around \$75,000, into small farms.

If any Member believes that 200 million people can be fed as well as we are doing today by little farms, he had just as well suggest we start making automobile manufacturers limit their plants to 50 people. It is that simple.

I thought I was right about my point of order. I think so now. I wish we could have had a reversal of the erroneous decision we have faced for some years.

I repeat, we set this up as a corporation so that it could not be interfered with or unduly restricted, as we would be doing if we vote for this amendment. We have carefully protected it through the years.

I lost that decision, but as a practical matter I ask the Members not to renege on Government contracts and not to try to feed 200 million people with little farms. Do not hit at the one segment of our economy which has done such a marvelous job.

In this bill there is only a little less than 4 percent of the total budget. Of that less than 4 percent, 60 percent is for programs with consumer benefits, including food stamps, school lunches, protection from diseases, and so on.

The American people are getting the best bargain they have ever gotten in history.

I said, when they started making the payments out of the Treasury instead of letting the consumer pay for what he gets, we would be facing what we face today. It was just as evident as the nose on my face. I voted against the 1965 agriculture bill for that reason, but it is the law and contracts have been entered into.

I say to my friends from the cities, do not raise the cost of living for your people by trying to force the American farmer to feed them with little farms. It cannot be done.

Mr. FARBSTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman. I do not propose that the farms be broken up into small farms.

Let us go back historically. I believe the farm program was started some 30 or 40 years ago under the McNary-Haugen plan. This was originally a relief plan for the small farmers. Then what happened? As time went on, these small farmers found that the only way they could produce acceptably would be for the small farms gradually to be increased in size, so that large organizations would be enabled to produce cheaper than the small farms.

I do not see why these large commercial farmers should be the darling of this legislature. It would seem to me that if there is to be any assistance given it should be given solely to the small farmers. If we are going to subsidize the large commercial farmers, then why do we not subsidize United States Steel? Why do we not subsidize the large copper companies and the oil companies? They do business on the basis of supply and demand, and it is on the basis of supply and demand, I believe, that the farmers can succeed.

So far as these small farmers are concerned, I am satisfied to subsidize them just as we subsidize the poor, the impoverished, the uneducated, and those people who cannot find jobs or food. Why do we come here and seek to reduce these subsidies to the large farmer? It is because we are in a bind; money is short and if we must cut budgets here is a good place to start. We have marches and we have hot summers. We have to find some means whereby we can obtain funds in order to take care of these poor individuals in the large cities who are not able to find housing or find homes or find food.

Mr. Chairman, I am satisfied to subsidize the small farmers, as I said, but not the large commercial farmer who can take care of himself. The cost of food is being decreased not because of the fact that we subsidize these large farmers so much but because they have improved their farms and farming techniques to a degree where they are able to produce and sell at a low price. It is only because they have these large farms

that they are able to produce at a price where they can compete throughout the entire world in the same way that the large industrial concerns can compete and take care of themselves. In just the same way our larger farmers will be able to do the same.

So, Mr. Chairman, I say let us go along with this amendment and in that fashion take care of those who should be taken care of. The large farmers, in my opinion, will be able to take care of themselves.

Mr. JOELSON. Mr. Chairman, I move to strike the requisite number of words.

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Chairman, I was under the impression that the subsidy program is for the purpose of keeping farmers on the soil in order to produce the food and the fiber that this country needs. I understand that we also have a subsidy for tobacco farmers. I cannot for the life of me understand why it is necessary for our taxpayers to subsidize a crop that is probably very dangerous to the health of the American people. I just hope that next year we are not asked to subsidize the marihuana crop. I hope instead of spending money to grow something that is damaging to the health of the people that we spend more money for research and for health to protect the people of this country. I see no justification for a subsidy for tobacco.

I might add that although I strongly support many provisions of the pending bill, I deeply regret that such fine programs as school lunch and food stamp are tied into the overly loaded and very questionable subsidy program which is not justified.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as one who has voted for a lot of programs like rent supplements and educational programs and a variety of others that I have heard mentioned here, let me say that I have never felt that the farmer in this country basically was being subsidized. I will tell you who is being subsidized in this program. It is the consumer. It is the consumer and every other American who goes to the table three times a day to eat or who buys food and clothing to take care of himself and his family. These are the people who are being subsidized. We are subsidizing ourselves. All the present farm program is doing—sure it has its weak spots—is providing for an equitable and fair way to balance supply and demand in American agriculture which has produced the best bargain in foods and fibers in the history of the world. The American people are the best fed people on the face of the earth, at the lowest cost of any place on earth. It takes the least number of minutes of labor to buy the food to feed a family in America of any place in the world. I just get a little fed up with this hue and cry from some of my friends about how they are going to cut the cost of this program by putting some ceiling on. I think it is a completely fictitious thing in the first place to put a ceiling on payments to farmers and then take that vast

amount of money which theoretically they think they are going to save and put it into rent supplements or put it into model cities. I supported model cities and I supported rent supplements, and I may say a great many of us around here have.

But, let me say to you that the approach proposed by my good friend the gentleman from Illinois [Mr. FINDLEY] in offering his amendment will destroy the present farm program in America. I was very interested in the comments of my good friend, the gentleman from Minnesota [Mr. QUIE] and I would like to have his attention and I shall be glad to yield to the gentleman for the purpose of answering this question—what effect would the price of wheat have upon the cost of a loaf of bread if this amendment succeeds, in line with the existing law? Would the gentleman from Minnesota comment on that?

Mr. QUIE. I might say to my good friend, the gentleman from California [Mr. SISK], that he knows—

Mr. SISK. Can the gentleman give me an answer to that question?

Mr. QUIE. If the gentleman will yield further, if this amendment is adopted and if this limitation goes into effect he knows that would then go back to the old "snapback" provision or the 1958 act.

Mr. SISK. Does the gentleman from Minnesota have any idea what the effort will be on the price of wheat and on a loaf of bread?

Mr. QUIE. I will say in response to the question of the gentleman from California, as the gentleman knows it would be hard to tell. The 14,500 who get between \$10,000 and \$15,000, would they have any part of the program? If they did that they would not affect the program. Then, you only have another 15,000 farmers. So, what effect would they have on the market without the guarantee of a price level? They then would look for something else to raise.

Mr. SISK. Let me say to my distinguished friend, the gentleman from Minnesota [Mr. QUIE] that he has a lot of information contained in his book and I am sure he is completely honest in his statement. I, however, am not familiar with the figure. I do know what did happen to agriculture in California.

Mr. Chairman, on occasion I become quite amused about the statistics published in the *Record* and about what these farmers are receiving. I have found certain figures which are released as though they are "payments to farmers" when actually they are loans which are paid back with interest.

So, in the final analysis they did not get a single dime, but pay a profit on the money because they have to figure that cost of the money when they borrow it.

Mr. QUIE. This has nothing to do with the loans. It would not put any limitation on the loans that a farmer applies for and that program would proceed.

Mr. SISK. This is only a limitation on the direct payment program—the Federal Government making a direct payment to the farmers. All I am saying is basically agriculture has done a poor job of public relations in that the con-

sumer is the one that is being subsidized and not the farmer. All of this is making it possible for us to met the supply and demand.

Mr. Chairman, I hope this amendment is defeated.

Mr. HALL. Mr. Chairman, it is a matter of pressure procedure and legislative legerdemain that makes us consider this appropriation bill today, while the legislative committee is currently considering a new farm bill, or extensions. It is utterly paradoxical that we now debate so long and well, an amendment to cut down commercial large farm subsidies of our \$10,000 in an effort to support the small family farm—when there is a better way as presented this very morning to our distinguished Committee on Agriculture.

H.R. 10742 would subsidize for restoring the soil and proper management of soil, plant food, and water. It would eliminate surpluses, not cause them. It would be voluntary, not coercive or controlled. It would apply to all locations and types of farming. It would reward the poor-soil small farmer, not the large ones with all advantages. It would create restored soil in ready reserve for the Government to call into production in any emergency and not idle acres to leach and erode in sprouts. It would allow the small farmer to improve his land to the point where he could fractionally—or as a whole—get his entire production on the market to his advantage.

Mr. Chairman, in summary this provides a second market subsidy for soil and water restoration. We should spend the public moneys in this direction for future generations and not continue to mine our soil—a basic endowed resource of the United States—on the basis of seven parts removed for every two parts restored. I include my testimony and bill analysis of this morning and commend reading those hearings studiously for further details by a master farmer, agronomist, and conservationist—Mr. E. M. "Gene" Poirot, of Golden City, Mo., a member of the Seventh Congressional District of Missouri Farm Advisory Council who has produced profitably, restored a wornout farm and proved his point.

It can be done, and we should get at this basic and simple approach. Then, Mr. Chairman, such amendments would no longer be in need of consideration.

I think there is general agreement today that what was once called farming, and is now known in its broader term as "agribusiness" is in trouble. According to a national magazine report, somewhere in America, this year, or next, when a farmer calls in an auctioneer and sells out, the total number of U.S. farms will fall below 3 million. I watch dispersal sale notices closely. Only 8 years ago, there were 4 million farms. One-fourth of the farms in the Nation have disappeared in less than a decade. The reasons are well known, and a few statistics come to mind.

Farm prices are down 5 percent from 18 months ago. Farm costs are up. Farm debt is climbing fast. Farmers buy \$5.3 billion worth of equipment yearly, and the \$256 billion in land, building, and

equipment that comprise farm assets are yielding a poor return. It was said in the 1930's that the depression began on the farm. Today's agriculture is still big business, but inflation coupled with an unsatisfactory farm policy may well start another general downturn for U.S. business, if the farm fiscal burden becomes too great.

Today, many farmers are living off the inflated value of their land. When debts pile up, they get a bigger mortgage, pay more interest, go deeper in debt, and finally some of them are forced to give up.

Everyone has his ideas on how to solve the farm problem, and I know how long and hard the distinguished members of this committee have struggled to develop sound farm policies that benefit the Nation and the farmer. The solutions range from getting the Government completely out of farming, to assuming more and more controls. I believe that the answer lies in a new direction and toward that end have again introduced, in the 90th Congress, a bill—H.R. 10742—whose title describes the basic thrust of the legislation—the cropland and water restoration bill. Soil and water restoration, and the incentive to accomplish both so as to provide a realistic profit margin for the farmer, are what this bill is all about. The bill has been revised and updated with the help of the General Counsel of the Department of Agriculture from the original bill—H.R. 7164—introduced in the 89th Congress. I am not here to argue in any way against the omnibus farm bill, but rather to suggest that there is a better way to meet the farm challenge, based on concepts which any farmer can understand and on concepts which if properly explained to the public will erase being paid not to grow food and fiber.

It is not the farmer on top quality land, with adequate water, in close proximity to markets, with sufficient capital, who is in trouble today. It is the farmer on marginal land—thin soil—with the ever-present threat of inadequate rainfall, with little capital and no margin for error, and no control of the market forces who is in real trouble. Yet, this is the same man who under the farm policy of the past two decades or more, receives the least Federal assistance, while the man who already has everything going for him—including rich soil—benefits the most from present farm program outlays.

In gaining acceptance for a new or novel approach, however simple the basic principle on which it rests, there must first be agreement on basic facts:

First. Farmers are a minority representing only slightly more than 3 percent of our population. The only time the vast majority of our population ever sees a farm, anymore, is when they are traveling from one city to another. Consequently, few understand their problems. Many consider farmers expendable and without knowing better, oppose legislation enacted to directly benefit farmers.

Second. Cropland soil, its plant food, and the water necessary to make crops grow, are not expendable. If these die or disappear, the rest of the population cannot be sustained, and some will also die until these basic elements are

brought back into balance with human need. That is nature's law. The end product of the farm program is human bodies in nature's balance of power.

Third. My proposal is for soil and water restoration. It is intended to benefit all people, but especially farmers who own the land, and the water that falls and can be retained on it. Farmers are the only people who can accomplish soil and water restoration. They must be the first and most enthusiastic cooperators.

A basic premise of my bill is that the cost of doing soil and water restoration is a cost of producing food. It must be paid by the consumer either directly at the store, or indirectly through the Government which is all the people. It must result in voluntary and honorable profit to the farmer. He must be consulted and respond with his expertise.

The basic approach is to offer farmers a second market by the opportunity to shift a percentage of cropland to the production of a suitable cover crop for his particular region, such as sweet clover, plowed under, with the Government paying a fair price per dry weight ton, and with the farmer free to choose between this market or the consumer market for food and fiber he would otherwise grow.

Assuming that this basic approach, the offering of a second market for restoration replaces the basic farm subsidy program we have today, here are the immediate consequences:

The Government is now out, entirely out, of the farming business, and in the business of restoration and protection of vital food producing resources, soil and water—title of farm bill.

Supply and demand, cooperative buying and selling, even collective bargaining, and all other various farm organization objectives are not interfered with. All of them can continue, but only above the fair parity of income price set by the second market.

This second market says to the farmer, the Government will buy from you:

First. An increased productive capacity for acres you designate, so that your per-bushel costs will be lowered for the next crop, and abundance will be supplied for the consumer at a reasonable cost.

Second. When in your opinion, that land is not needed for crop production, under local conditions of price, costs, and yield.

Third. This second market buys from you at a fair parity price, below which, you need not produce food or fiber for anyone.

Fourth. It buys a suitable crop designated by the science of agriculture, for the best land use. It may be for better food and fiber, wildlife, recreation, land beautification, preservation of virgin land, and so forth. In any case, for the first time in agriculture policy history, the reward is for the scientific use and development of our resources, in place of a payment for bushels. It will preserve for, and reward future generations instead of "diming their soil," and thus robbing them.

Fifth. The second market buys estimated tons per acre plowed under, which calls for returning soil minerals, inoculation of the seed, and growing the

crop alone for 1 year to enrich land according to science. The more you grow, the greater your reward, regardless of the richness of your acres or the history of its past production.

For the first time, under this concept, we would place a minimum price on something which cannot become a surplus.

Individual farmers would determine when the price-cost squeeze hits them, and the exact acres causing the trouble.

By taking those acres out of production, and putting them into a "restoration bank," they remove the surplus they know exists because of cost, price, and yield.

The results for the Nation as a whole are:

First. Surplus control is done by farmers, voluntarily.

Second. Abundance is assured in steady nutritious supply at a reasonable price for the consumer.

Third. Net profit for the farmer is assured at or above the parity of income level.

Fourth. Above that level, the consumer regulates the price by his demands.

Fifth. At that level, the farmer regulates the price of what he buys by his demand and/or options.

Sixth. The Nation is assured of a permanent potential in case of emergencies for the production of food and fiber by a constant program of soil and water restoration.

A summary of H.R. 10742 follows:

SUMMARY OF H.R. 10742

[Pictures and charts referred to not included in RECORD]

This bill provides: (1) A government market for (2) Buying at an effective price, measurable results of soil and water conservation known to be of great value to (3) The farmer—the rural community—the consumer.

The bill is activated by providing:

1. A second Market competing with the first, or Consumer market on a supply and demand basis. The consumer market buys the products resulting from *resource exploitation*. The government market buys products proving *resource restoration*.

2. The government buys at prices *high enough* to cause effective results in holding and increasing our potential to produce agriculture products.

3. *Tons* (to prove the degree or amount of value accomplished).

4. A *suitable crop* named by science (to prove the kind of value accomplished).

5. Growing *alone for one year or more* (to provide surplus control above the level determined in the second market.)

6. On *any number* of acres (to assure abundance for the consumer by a rapid adjustment of supplies to his demand without causing a price depressing surplus or a short supply of products.)

The Bill is Not in conflict with the Objectives of Farm Organizations or with the Free Functioning of Supply and Demand Economics.

Collective bargaining, supply and demand, Co-op buying, processing and selling the finished product are in no way affected by the bill except that these activities must take place above the price offered by the second market. "Cost of Production", "fair price", "parity of income", are all determined by the farmer in his acceptance or rejection of offers made by the second market. The "freedom" offered him is on an individual basis, not determined by the vote of other farmers or the price-squeeze of the market buying

his products. He is offered the freedom of farming or not farming above a price floor level determined by the second market and below which he need not produce agricultural products.

THIS BILL IS NOT A RELIEF MEASURE

It at once takes the government out of the farming business in attempting to give relief to individual farmers. In place of this the government is put into soil and water conservation business which is of vital importance to all of our people. Since farmers represent only about three percent of our population they could be considered as *expendable* but the food they grow, the soil they use, and the water required in agricultural production are *not expendable*.

Headlines saying, "All farmers died last night" should affect only 3 percent of our population and perhaps could be forgotten in a few days.

Headlines saying, "There is no more food," or "the soil is radio active and its products are poisonous," or "rainfall is no longer fit for growing crops," would cause wide uncontrolled panic because the effects would be disastrous to all of our people.

Food or the soil and water producing it are *not expendable*, therefore, the second market buys something of great and important value to all of our people.

The First Set of Pictures of Proof of these Important Values to all People as shown by the Resulting—

1. Good health, Abundance, good food, reasonable price.

2. Preserving and increasing the potential for producing these values now and in coming generations.

3. A price floor for farm production determined by supply and demand which considers the cost of returning to the soil the plant foods we use and waste, holding the water available for plant growth and preventing erosion from destroying the soil body as cost items in agricultural production.

4. A continuous growth in the economy of the rural community.

5. A control of unwanted surplus production yet a continuous flow to supply consumer demand.

6. The control of the rapid flow of poverty stricken farmers to the cities.

7. An elimination of products produced at a loss by farmers or produced with the aid of government subsidies both of which cause the successful farmer unfair competition in the market place.

The Next Group of Pictures will Show the Second Market at Work to Bring About the Values of Soil Restoration and Water Conservation on a National Basis.

The chart shows 5 acres as a fractional part of a farm in which one acre represents 20 percent of our cropland. On a national basis this is equal to about 60 million acres generally considered as surplus land under present conditions. Corn is used as the crop because of its present low price and high production cost. It therefore represents an impressive picture of our farm problem. The figures in this chart are very conservative. The costs for producing the corn are quite low. The yields are near the national average. The figure of \$25.00 per dry weight ton for the suitable crop which is sweet clover may be too low. The cost of soil restoration for sweet clover is relatively high.

These adverse figures are deliberately used to show the effective way the second market can solve our farm problem. In addition the chart shows that the present price cost squeeze is not relieved during the next five years since we are maintaining the price of corn at \$1.00 per bushel and the cost of producing it at the same figure throughout the period.

In addition we will expect this farmer to control the surplus as it exists on his farm, double his net profit in four

years and maintain that high level of net profit after the fifth year while actually reducing the surplus if need be by 40 percent more than double the reduction he made to begin with.

Any crop other than corn, any kind of livestock, or livestock products can be used in this example. Any figures that apply to any individual farm can be substituted for the figures used here. Regardless of what they may be they will show that the farmer will follow any one of three different courses:

1. If the figures show a high net profit, at least higher than that offered by the Second Market, the farmer will not be interested in this program. He has no farm problem.

2. If the figures show as they do in this example, that the farmer is in trouble, he will use the second market perhaps devoting 50 or 100 percent of his cropland to its offer.

3. If the figures show an impossible situation for producing a crop proving soil and water restoration the farmer will leave his land. He, however, does so because the science of agriculture as taught by his County Agent and University says the task is near impossible, and his banker or the Farm Home Administrator will tell him it is an unsound economic venture. In any of these cases he will be leaving the farm without first becoming a pauper by losing all of his savings and a good part of his life time.

SUMMARIZING

In summarizing the favorable effects of the Second Market as shown by this table, we can say that:

1. The price of food and agricultural products has not been increased for the consumer.

2. The consumer has not been asked to reduce the price of the products and services he sells to the farmer.

3. The farmer has been kept on the land doing something of great value for all of our people rather than appearing as a relief client in some city.

4. The taxpayer supplying the money has bought something of important value for his immediate needs and those of his children.

5. The farmer can now increase his production by eleven percent more than he could produce 5 years before (if the consumer wants it) or he can reduce his production by forty percent and still make twice as much net profit as he could five years before.

6. This farmer is withholding the corn from the market that he produced without profit, is not offering price depressing competition to those farmers still producing at a profit.

7. What has been done in this example has actually improved the economy of the rural community in which the farm is located. The land devoted to the suitable crop required materials and services furnished by the rural community. In addition the extra net profit represents actual new wealth for the rural community.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. WAGGONNER].

(Mr. WAGGONNER asked and was given permission to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Chairman, there have been a number of logical and eloquent statements made in opposition to this proposed amendment, but the

most important statement of all was made by the gentleman from Mississippi [Mr. WHITTEN] when he said the Government would be reneging on its commitments and contracts already entered into. The gentleman from California [Mr. SISK] made another very telling and substantial statement when he said that those who are really being subsidized by this farm program are not the farmers but the consumers, and that is exactly so. Surely, most of you remember the bread tax argument when we considered the Agriculture Act in 1965.

The purpose of an appropriation bill is to appropriate up to the amount of money that some piece of legislation might authorize. We had and passed in 1965 an agricultural act which authorized these subsidy payments under certain conditions, and here now, in this appropriation bill we are proposing to amend that act by saying to those people to whom we have made commitments that we are not going to live up to our contracts we have already made.

The farmers this year have already planted crops, they have borrowed money to finance their operations, and if we renege on that contract how on earth, will you tell me, are these people going to fulfill their obligations which we have caused them to enter into, and to become a party to?

Gentlemen, the place to legislate is when we do something about renewing or revising the Agricultural Act of 1965, and not in this appropriation bill.

Are we going to renege on every other contract, or every other piece of legislation, whether it has to do with model cities, with rent supplements, with education, with highway construction, with defense contracts, or whatever other programs we might become party to, if we do it in this instance? It would make as much sense and if we do any contract should we subject to renegotiation.

The big-city boys say "do not let the big farmer have help, Government programs are for the little man" yet they stand here, pleading day in and day out, for more assistance for big cities because they have more people who need help. Their cities they say are bigger. They say they oppose "guarantees" yet they support minimum wages and most of them I'm sure will support the so-called "guaranteed annual wage." Try being fair and consistent.

The problem of cotton is still one of what to do about the surplus. In all honesty do not destroy the one tool we have in this fashion to deal with surpluses. Repeal or revise the basic law if you will but do not renege on your contract by legislating on an appropriation bill. Vote this amendment down.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The Chair recognizes the gentleman from Iowa [Mr. SCHERLE].

(Mr. SCHERLE asked and was given permission to revise and extend his remarks.)

Mr. SCHERLE. Mr. Chairman, as an actual dirt farmer I oppose this amendment.

I believe that this amendment is penny-wise and pound-foolish, for the simple reason that our problem today in agriculture is surplus, and who creates the surplus, if I may ask? It is not the small farmer, it is the large farmer.

If we are going to pay support prices to agriculture, then it is far better to pay not to produce than it is to pay to overproduce, and then pay storage costs on top of that.

The little farmer today has a diversified operation. The little farmer today, particularly in the fields of grain and livestock, uses all the grain that he produces for feed. The surplus is created by large agricultural operators, this is where control should be administered.

Overproduction is the millstone. This is one economic handicap.

The chairman of the Committee on Agriculture, Mr. POAGE, hit the nail on the head when he emphasized the same thing, that overproduction surplus is our problem today. That is one thing that we can control, and we can best control it by not encouraging the large farmers to overproduce and overplant, and which, in essence, at harvest time will put the millstone around the neck of the little farmer, or the consumer.

I ask the Members of the House to vote "no" on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MORTON].

(Mr. MORTON asked and was given permission to revise and extend his remarks.)

Mr. MORTON. Mr. Chairman, I take this time to ask the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. POAGE], if his Committee on Agriculture had any sort of hearings on this type of amendment and on this proposition.

I am desperately afraid that we are getting ready to do some legislating in this appropriations process in which everybody involved has not had their day in court.

Mr. POAGE. You mean, this year?

Mr. MORTON. That is correct.

Mr. POAGE. The answer is "No." The committee has had no hearings on this this year because there has been no request of this kind presented to the Committee on Agriculture.

The gentlemen who are former members of our committee and who now sponsor this legislation did not offer this to our committee.

Mr. MORTON. I appreciate the answer of the distinguished chairman of the committee.

The thing that really concerns me, and I hope it concerns every member is that we are getting ready to put a half billion dollars impact on the agricultural business of these United States without knowing what the effect will be. We are groping in the dark. We should study this very carefully before this amendment is enacted.

I feel that we are trying to mix up welfare and agriculture here and they are not one and the same, and therefore I oppose this amendment because I do not think this is the proper place or the proper time for it.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. FRASER].

(Mr. FRASER asked and was given permission to revise and extend his remarks.)

Mr. FRASER. Mr. Chairman, representing a city constituency, I want to explain why I am going to oppose this amendment.

The best understanding that I have been able to develop about these farm programs, is that they are designed to regulate production and maintain some limits on the fluctuation of prices in the market so as to provide orderly marketing of farm products.

As I understand it, these farm programs are not welfare programs and they are not designed to help the individual farmers as welfare beneficiaries so much as they are designed to deal with problems of production and in this way bring a measure of stability for those engaged in agriculture.

My impression is that if this amendment should carry all it would do would be to force the larger farmer into larger plantings and it would mean larger cuts for the small farmer and thus increase diversion payments to the small farmer and end up with no savings for the Treasury.

I may not have the programs in mind as well as those who deal with them every day, but I would judge it a mistake on the floor of this House to interfere with farm programs that have done a good job in regulating production and in regulating prices, and treat these farm programs as though they were welfare programs, which they are not.

For this reason, as a city Congressman I plan to oppose this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, I take this time to ask questions of the author of this amendment.

Does the amendment cover all agricultural commodities?

Mr. FINDLEY. I think there are a couple of hundred different commodities. It does cover commodities that are under the commodity programs.

Mr. DOLE. Does it cover all commodities under commodity programs?

Mr. FINDLEY. The Sugar Act would not come under the language of this amendment.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman.

Mr. QUIE. There is no direct payment in the dairy program and therefore it would not come under any program that has a direct payment. The Sugar Act, of course, as the gentleman knows, is a different operation.

Mr. DOLE. Would the definition of incentive payment include sugar payments?

Mr. FINDLEY. As I said to the gentleman, the language as drafted does not cover the Sugar Act.

I will say to the gentleman, I am very

much in favor of some extensive modifications of this program because it does have some unique characteristics which do not exist in other commodities.

I drafted the language so as to exclude that.

Mr. DOLE. With reference to subsection 4, wheat marketing certificate, does this include payments from the Federal Treasury, from the processor, or both?

Mr. FINDLEY. They all go through Uncle Sam's hands in some way. I regard the processor charge on the millers as a bread tax.

Mr. DOLE. I understand how the gentleman regards the payment.

Mr. FINDLEY. Therefore, the payments which the farmers get are not, nor can they properly be, construed as being precise money paid from the bread tax. In fact, the sum of the bread tax does not equal the sum of the payments to the farmer.

Mr. DOLE. Even though the Commodity Credit Corporation is reimbursed by the processor 75 cents per bushel, the amendment applies to the full amount of the certificate payment.

Mr. FINDLEY. It does indeed, and I think it properly should.

Mr. DOLE. This indicates why those who may not fully understand the farm program may be in sympathy with your amendment. It is probably a popular amendment to those who do not understand farm programs.

Adoption of the amendment would most certainly depress farm prices, cause further economic loss to the small producer, increase surpluses and for all practical purposes terminate the 1965 Agriculture Act. The 1965 Farm Act is far from perfect but I question the approach taken by the gentleman from Illinois and, therefore, oppose the amendment. If we want to reduce spending under this bill across the board I will support it but let us not do it piecemeal and in effect damage the very farmers those offering the amendment say they seek to help.

AMENDMENT OFFERED BY MR. MATSUNAGA TO THE AMENDMENT OFFERED BY MR. FINDLEY

Mr. MATSUNAGA. Mr. Chairman, I offer an amendment to the amendment. The Clerk read as follows:

Amendment offered by Mr. MATSUNAGA to the amendment offered by Mr. FINDLEY: After the word "programs," where it first appears, insert the following: "except the Sugar Act of 1948, as amended"

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Chairman, I offer this amendment to clarify the intention of the offeror of the amendment. As the offeror of the amendment indicated a minute ago, his amendment is not intended to include the Sugar Act of 1948, as amended. I offer this language for clarification purposes only. I have spoken with the offeror, and he has no objection to it. I urge the adoption of my amendment to the Findley amendment so that no question may be subsequently raised, if it is adopted, relative to the exclusion from it of the Sugar Act of 1948, as amended.

[Mr. FINDLEY addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

The CHAIRMAN. The Chairman recognizes the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I rise with somewhat mixed emotions on this proposition because, as I recall, several years ago when the authorizing legislation was before the Congress, I proposed a limitation of \$5,000 on these payments. At that time crocodile tears were being shed for the small farmer, but the bill proposed still catered to the big corporate operators and I opposed it.

Now as a member of the Appropriations Committee, I do not want to rewrite the Agricultural Act in this appropriation bill, and you men who have been on the Agriculture Committee know that is exactly what you are doing here. With 80 percent of the farm production in this country produced by only 10 or 12 percent of the farmers obviously the big operators are a very vital factor. Now, if we do not like what we have today on the books, then I say when the Agricultural Act comes up for revision, that is the time to turn this thing around and rewrite it and take a completely different approach. I will certainly be here to help bring this about. I was shocked last year when the list of these recipients was placed in the RECORD, and I saw that the biggest one in Illinois was in my district. I knew the fellow when we were kids and I will tell you the reason he is getting it. He is in a program where he has acreage control and a base. He is smart, shrewd, a college graduate, and if you knock him out of this thing in this fashion he will just grow twice as much by getting out of the program. Then the market will be flooded again with all these big operators and landowners producing a glut. Prices will be depressed, and we then compound the problem.

The gentleman from Montana [Mr. BATTIN] stated the case very well. There won't be any \$400 million reduction of expenditures this year, and the big boys aren't going to be hurt next year nearly as much as the small farmer who will surely be at the mercy of the big boys in a declining price situation for their commodities.

I have no reason to carry water for the big operators. I have opposed these programs many times because they do cater to the big operator and force the small farmer to either get out of the business or grow bigger, too.

As I understand the theory of the present program it is supposed to hold production in line with consumption with Government making up the difference of what a farmer could get by just growing everything he wanted to and flooding the market. Now on first flush it may appear that this would lower prices further for the consumer because of the abundant supply but it just does not work out that easy way. To counter the overproduction we would surely have to do away with the price support program or get back into the business of Government storing all the surplus.

I would love to see a free market take over from this controlled situation, but I

am afraid that as far as we have gone down this road we would really seal the doom of the small operator and within a short time we would have nothing but large corporate operations. It is just simple economies.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. QUIE. When one says they will double and triple their production, you know you need some acres to do that. These people do not farm one-third of their acreage. Most of them are farming on 80 percent of their acres, taking a 20 percent cut. That is all they can put back into production again. There will not be that extreme an expansion in production.

Mr. MICHEL. I may have exaggerated a bit, but a 20- or 25-percent increase in production would be catastrophic as the gentleman well knows.

The CHAIRMAN. The Chair recognizes the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN], to close the debate.

Mr. WHITTEN. Mr. Chairman, may I repeat again, I was not one of those who favored the existing farm program. I anticipated then that this type of argument would arise. May I repeat again, this language would prohibit the carrying out of contracts for practically all of these programs, which have been entered into, and the "producers"—which is a better word than "farmers"—have done their share. They have committed themselves to their part. To put a limitation now, as this would, would be to renege on commitments that the Government has already made.

When the gentleman from Illinois acknowledges that he took one class of farmers out from under the legislation, or intended to, he certainly left it where it would appear to me to be unsound. May I say it is my opinion he does not leave them out, whatever his intentions were, because it says these funds cannot be used to carry out price supports or commodity programs.

I respectfully submit that the Sugar Act certainly has to do with a commodity, a very essential commodity. As chairman, I trust, of the committee having to do with any conference with the other body, I would have to insist that this applies to all commodities that are involved in the various programs.

I repeat: Write whatever legislation you want to in the regular way, but do not renege on these payments at this time, which would be a mistake. There is no telling what we would do to the economy if we do this.

I hope the Committee will vote down this amendment, and let us work out these things as we have in the past.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Hawaii, [Mr. MATSUNAGA], to the amendment offered by the gentleman from Illinois, [Mr. FINDLEY].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now occurs on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and the Chairman announced that the yeas appeared to have it.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. FINDLEY and Mr. WHITTEN.

The Committee divided, and the tellers reported that there were—ayes 79, yeas 129.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia:

On page 34 after line 22 insert the following:

"SEC. 505. No part of the funds appropriated under this Act shall be used to provide payments, assistance, or services, in any form, with respect to any individual convicted in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned."

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes in support of his amendment.

Mr. BROYHILL of Virginia. Mr. Chairman, I explained this amendment in some detail during the general debate. In substance, it prohibits the payment of any funds appropriated in this act to any persons who are convicted of being involved in any acts of violence, rioting, looting, or civil disorder.

As pointed out earlier, two similar amendments were offered last year to other bills; namely, the authorization bill for the Office of Economic Opportunity and the appropriation bill for the Department of Health, Education, and Welfare. In fact, when the final language was worked out in conference. It was identical to the amendment I am proposing here today.

The language of this amendment has proven to be necessary. We all know the recent riots and civil disorders that have occurred here in our Nation's Capital. We know that several hundred Federal employees were involved. It was not just the poor and the downtrodden that were involved, but the average income of many of the people involved was between \$65 and \$100 a week.

The Department of Health, Education, and Welfare actually had posted on their bulletin board a warning to the employees of that Department that if they were involved in any of these recent civil disorders, they were subject to immediate

dismissal. There was printed on the bulletin board the exact language of the amendment we had approved last year and which is being proposed here today as a part of this legislation.

I think all of us can agree that whenever we pay the salary of anyone, any employee involved in actions of civil disorder and disruption of civil processes or anything involving a violation of law and order, we are actually feeding the fires of our own destruction.

Mr. Chairman, I represent possibly more Federal employees than any other Member of this body. I feel we have among our Federal employees the cream of the crop of the manpower of this Nation. But these Federal employees are just as anxious to have these misfits and lawbreakers off the payroll as we are. Several of our colleagues have proposed legislation that would call for the immediate dismissal of any employee involved in the type of action I have been discussing here today. However, I am fearful that it will take too long to get that type of legislation through. We have already been warned that we are going to have other actions involving civil disobedience. Offering these amendments or restrictions or limitations to these appropriation bills is a direct and quick method of getting this particular restriction enacted into law. By offering this amendment to the agricultural appropriation bill here today this is not to imply that there are any employees of the Department of Agriculture involved in these actions, but I feel that we should offer this type of amendment to every appropriation bill whereby eventually we will have it applying to all Federal employees.

I am hopeful that in due course the appropriate subcommittee of the Committee on Appropriations itself will include this type of restriction in all of the appropriation bills while on the other hand the Committee on Appropriations could make specific recommendations as to making this permanent law and possibly by obtaining a rule waiving points of order against it, it would not be necessary each year in every bill to write in this restriction.

Mr. Chairman, this language is modest. I realize that the restriction is not as tough as some of us would like to have it but we could take another look at it at a later date.

Mr. Chairman, it is my opinion that the people are going to demand that strong action be taken to protect the public in all of these bills which carry the appropriation of public funds and that these people who are responsible for accelerating the disruption of the peace and tranquility of this Nation should not go free but should be punished in accordance with the severity of their crime.

Mr. WHITTEN. Mr. Chairman, having had considerable experience in the Department of Agriculture as well as in the field of law practice and jurisprudence, I see little reason for the adoption of the amendment. However, on the other hand, I cannot see where it could do any harm.

Mr. KYL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I have moved to strike the requisite number of words in order that I may direct a question or two to the distinguished gentleman from Virginia [Mr. BROYHILL].

Mr. Chairman, I did not hear the reading of the amendment very clearly. It is my understanding that the gentleman's amendment goes only to employees of the Federal Government?

Mr. BROYHILL of Virginia. No; it reads as follows:

On page 34 after line 22, insert the following:

"Sec. 505. No part of the funds appropriated under this Act shall be used to provide payments, assistance, or services, in any form, with respect to any individual convicted in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned."

Mr. KYL. In other words, suppose we have a situation in which a husband and wife have six children. The family qualifies for assistance under this act—perhaps food stamps, food distribution, and so on, and the breadwinner of the family may be unemployed or may be underemployed and is involved in a riot and is arrested for his participation therein and is convicted. Would his family not be denied participation under the terms of the gentleman's amendment insofar as food stamps, food surplus distribution, and so forth are concerned?

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman will yield, insofar as this particular bill is concerned—and that is the only bill up for our consideration at the present time—the amendment would apply only to the funds to be disbursed toward which the amendment is directed. In other words, the adoption of the amendment would prohibit the disbursement to any person who is convicted by either local, Federal or State jurisdictions to be paid funds from this appropriation.

Mr. KYL. How would we separate the welfare or the amount of the welfare under the food distribution program which would normally go to the individual from those welfare items which would be presented to his family?

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman will yield further, I am certain that if this individual who is the breadwinner was convicted of any crime—any felony—he would be sent to the penitentiary. However, I am sure that there are secondary people who would be affected as a result of the actions of the head of the family. But we have to do something to stop these people who are causing all of this disorder. We can find statutes which will do it and can perhaps prepare restrictive language and let the man off under certain circumstances. However, I think we ought to start right now to do something, and if there is anything in the bill which is too restrictive, then we can take another look at it later.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. The gentleman from Iowa has control of the time.

Mr. KYL. I will be glad to yield to the gentleman from Mississippi, but first I want to proceed for just one moment.

If the amendment offered by the gentleman from Virginia covered only employees of the Federal Government and made limitations upon their actions, I could support the amendment wholeheartedly. But if this amendment means that, because a husband participated in a riot, a needy family might not be eligible for assistance of any kind, if it means also that if he is convicted and served a term in jail, or pays some other penalty for his violation of the law, and that this then is an added penalty above that which the court prescribed, then I reluctantly must say that I cannot support the entirety of the amendment offered by the gentleman from Virginia.

Mr. WHITTEN. Mr. Chairman, would the gentleman yield?

Mr. KYL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I would like to make myself clear that when the gentleman from Virginia mentioned this amendment to me I was under the impression that it had to do with Federal employees. Having been a district attorney, and knowing that often a family of an individual suffers enough as it is, I certainly would not be a party to excluding somebody such as that.

If the amendment is for employees only, that would be one thing. But I do not want to be a party to spreading it out to cover other than Federal personnel, because we do not know where it might end.

Mr. BROYHILL of Virginia. Mr. Chairman, would the gentleman yield?

Mr. KYL. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. This plan was worked out in conference, and I believe it was worked out in conference last year. It does not have the identical language, but as interpreted by the Department of Health, Education, and Welfare, as applied to an appropriation bill, it would affect those who would have received payments, such as to colleges, universities, who become involved in an act of civil disobedience, and are convicted.

Now, Mr. Chairman, I do not believe we should have a limited amendment here. I believe if anyone is involved in a violation of the law that they should not be rewarded with the taxpayers' funds. The members of their families will have other ways of taking care of them, but certainly I do not believe we should vote on an amendment that says on the face of it that we will no longer pay salaries or payments to those who are hell-bent on destroying this civilization.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I do not believe there is anyone in this House who wants to sup-

port riots and civil disobedience, destruction and insurrection—most emphatically, I do not. But I believe the amendment offered by the gentleman from Virginia is wholly undesirable for several reasons.

First of all, as the gentleman from Iowa so skillfully pointed out, the effect of the amendment would be to punish innocent children, and families of dependents, for the acts of an adult breadwinner.

Second, if we want to make the forfeiture of office and income from Government positions a penalty for rioting, we ought to amend the United States Code and the District of Columbia Code, and make that an additional penalty.

We should not attempt to so legislate in an appropriation bill, or in a manner that may well be unconstitutional. I do not know the entire language of the amendment, nor have I had a chance to study it so closely as to know whether it applies to those persons previously convicted of rioting. But if it does impose what is in effect a penalty that was not in existence at the time the crime was committed, the amendment may well be constitutionally invalid as an *ex post* law.

Moreover, we will be going on the record as applying a special penalty against those who riot, a penalty that does not carry to those who commit murder, robbery, rape, or any number of serious Federal crimes.

I believe that this amendment simply reflects an emotional response to a grave problem that is a matter of deep concern to every Member of this House. But we are not going to eliminate riots or achieve a better enforcement of the law in the District of Columbia or in any city of the United States by any hasty and insufficiently considered legislative penalties added to an appropriation bill.

While we certainly stand firmly with those who want to eliminate riots, let us not make this body appear not only foolish by the adoption of an amendment that may have a transient popularity but adds nothing to the solution of one of our country's gravest crises.

Mr. RYAN. Mr. Chairman, I move to strike out the last word.

Mr. CHAIRMAN, I oppose this amendment. Repression is no solution to the domestic crisis which confronts our Nation.

This amendment is a heartless and punitive approach. To starve children because of the acts of adults is so callous as to require little comment from me. To deny the benefits of the school lunch program and the school milk program to youngsters, as well as to deny the benefits of the food stamp program to families will only make them completely lose faith in our democracy.

Whatever the emotional response one may feel toward civil disorders, this is not the way to deal with the problem, but would only intensify the alienation in the ghettos and rural areas where people are deprived and ill-nourished.

The question of punishment after a criminal conviction is a matter for the courts.

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield for a unanimous-consent request to conclude debate?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that debate on the pending amendment be concluded in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, I could not sit here and let this amendment go through without standing up and opposing it. If I understand the gentleman's amendment correctly, it leaves it up to local cities, villages, counties, and States to define the meaning of "riot".

I think it could be used for discrimination against people that certain people do not like. I voted for the riot bill that we passed here a week or so ago and it had some very stiff penalties in it in regard to rioting; and riots were defined; and other words that were used in it were defined in a way that I thought it was clear enough that the bill would achieve the purpose of taking care of these situations. In fact, it went quite far in providing as much as a \$10,000 fine and 5 years in jail for inciting to riot and for other actions which I think are undesirable and which I think are criminal, but I could not support this kind of riot amendment because of its far-reaching effect and because of the lack of definition of some of the words used in the amendment and the lack of standards of application throughout our society.

Therefore, Mr. Chairman, I would vote against the amendment.

I might say that I have supported every farm bill that has come up in this House in the past 26 years and I intend to support this bill, but I cannot go quite as far as my friend, the gentleman from Virginia, would go.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. BROYHILL of Virginia. In an effort to clarify the point raised by the gentleman from Iowa and the concern expressed by the gentleman from Mississippi as to this restricting food stamps or surplus food or welfare, to members of the family, it sets forth very clearly in the amendment itself that it would apply only to an individual who is convicted. Certainly, it does not apply to other members of a family whether it be the wife, the children, or the grandchildren. But it only applies to the individual who has been convicted.

Mr. HOLIFIELD. I understand the gentleman's amendment, but I think the ambiguity of his amendment and some of the words used in it without definition are enough to alarm me, and therefore I shall vote against the amendment.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. KYL. The explanation of the gentleman from Virginia is hardly adequate.

Suppose a family gets \$40 worth of groceries with food stamps and the man is in the family? What kind of enforcement are you going to have in order to prevent his eating some of the groceries that are obtained by the family, but which groceries are not for him?

Mr. HOLIFIELD. I think the gentleman knows the emotional appeal and the temper of the times, which is very much against these people who are rioting. I feel they should not be rioting. I think they should indulge only in peaceful protest. Certainly, wherever any crime is committed we have now set forth in the Federal civil rights bill some very clear language and there are provided some very drastic penalties for those people who do participate in unlawful activities. I voted for that bill but this amendment is just a little too ambiguous for me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the Chairman announced that the yeas appeared to have it.

Mr. BROYHILL of Virginia. Mr. Chairman, I demand tellers.

Tellers were refused.

On a division (demanded by Mr. BROYHILL of Virginia) there were—ayes 37, noes 72.

So the amendment was rejected.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

SEC. 509. In no event shall the expenditures in fiscal year 1969 for the programs financed by this bill (excluding the Farm Credit Administration and its member institutions) exceed in the aggregate the total actual expenditures authorized for fiscal year 1968, plus (1) expenditures necessary in fiscal year 1969 to cover pay cost increases, retirement and compensation fund costs, penalty mail costs, employee compensation costs, and similar mandatory items, and (2) expenditures necessary to meet the increases provided in this bill for meat and poultry inspection and the food stamp program.

AMENDMENT OFFERED BY MR. BOW

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 35 following line 18, strike out Section 509 and insert in lieu thereof the following:

"SEC. 509. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1969 only to the extent that expenditure thereof shall not result in the net aggregate expenditure of Federal funds by all agencies provided for herein beyond \$6,524,470,897 except by those Commodity Credit Corporation expenditures required by law which may exceed budget estimates therefor."

Mr. BOW. Mr. Chairman, my amendment would permit the agencies provided for in this bill to spend during the fiscal year 1969 the sum of \$6,524,470,897. That is the amount which the committee report intends to allow these agencies to spend in 1969. The details making up this intended ceiling are set forth on page 5 of the committee report.

The report also indicates the committee's desire to set ceilings on individual programs appropriated for in the bill. I

take no issue with this approach because it is the prerogative of Congress to determine where and in what amounts expenditures may be made by the executive department. I congratulate the committee for an attempt to set a spending limitation in one of the first bills we have had, and I am glad they have done it. But I do take issue, however, with the wording of section 509 of the bill as reported by the committee.

I do so because that section does not set a ceiling on individual items which the committee has said it intended. Thus the committee has left to the President and his administration the authority to decide what spending shall result from funds available to these agencies. Section 509 reads:

In no event shall the expenditures in fiscal year 1969 for the programs financed by this bill (excluding the Farm Credit Administration and its member institutions) exceed in the aggregate the total actual expenditures authorized for fiscal year 1968, plus (1) expenditures necessary in fiscal year 1969 to cover pay cost increases, retirement, and compensation fund costs, penalty mail costs, employee compensation costs, and similar mandatory items, and (2) expenditures necessary to meet the increases provided in this bill for meat and poultry inspection and the food stamp program.

It is quite clear even to the uninitiated that this section provides for a spending level not to exceed "in the aggregate the total actual expenditures authorized for fiscal year 1968" plus certain other times. That clearly says "aggregate spending," and not spending on individual items.

My amendment provides for a net aggregate total, but in doing so it establishes a precise ceiling of \$6,524,000,000, except for those CCC expenditures required by law which may exceed the budget estimate. This amount is what the committee has estimated in its report would be spent in 1969. Thus my amendment would accomplish by statute what the committee says was intended, but which is not provided for in the bill.

Moreover, Mr. Chairman, although the committee has proposed in its report to limit spending in the 1969 level to the amount of my amendment, analysis of the language of section 509 of the bill reveals it would permit aggregate total expenditures of all funds in fiscal year 1968 plus some other items. Irrespective of what the committee intended in the language of the bill, section 509 apparently would permit these agencies to spend in 1969 all the funds that Congress reserved last year under House Joint Resolution 888 as well as other carryover funds that have been authorized or appropriated by Congress in prior years. In other words, the existing language of 509 is no limitation at all, and, if approved without change, these agencies could spend in 1969 every single dollar they have on hand and every single dollar we are appropriating here today.

I might add, Mr. Chairman, my amendment was accepted by the Treasury and Post Office Appropriations Subcommittee and I would think we would have uniform limitation rather than separate limitation on separate bills. I

think it is necessary to have uniformity in appropriation bills, and this will bring it into the same category as the Treasury and Post Office bill and give us an actual ceiling on expenditures and will not permit the drawing from other funds.

Mr. Chairman, I would urge adoption of this amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

The Members will note, if they will listen, that the amendment offered by the gentleman from Ohio strikes out section 509. The committee put section 509 in this bill so as to achieve the very same effect that, in my opinion, the gentleman from Ohio is seeking with his amendment.

Also the subcommittee—and this has been approved by the full committee—cut the appropriation items back, item by item, by the amounts which we estimated were necessary to reduce expenditures in fiscal year 1968 to \$6,524,470,897, the same amount that the gentleman has proposed in his amendment. So, we reinforced any effect that might occur because of section 509, in our action of cutting back item by item. Expenditures were reduced by the action on appropriations which were held back by item.

You will note that section 509 says we hold back expenditures to the 1968 level, with the exception of the new meat-inspection program and the food stamp program for which funds would be provided under both of these limitations. So section 509, which would be cut out, ties us to the spending authorized by the Congress in 1968. The gentleman's amendment has no such tiedown and would leave to the executive department the determination as to where cuts should be applied. I am of the opinion that it is far better for us to act on that which the Congress has provided than to put a figure in here and leave it to the executive departments to apply the cuts where they wish.

I have been among those, this year, who have had to go to the Bureau of the Budget and the White House to try to get funds released for watershed protection and flood control and a number of other items.

I believe it is an abdication of our authority to set a flat amount of money, and leave it up to the President to determine where to spend it. We want to hold down the money. We did it in two ways. The bill cuts back appropriations by item so that total expenditures would be cut down to a figure similar to that the gentleman from Ohio has proposed. But, to make sure, we in turn said it shall be cut back to the amounts authorized, which in turn means to cut back to what Congress has said.

I believe the amendment should be defeated on the ground that the committee has taken care of this problem but has done it in a much, much better way than the gentleman's amendment would. I say that with all due deference to the fine job the gentleman has done in preaching economy.

In the opinion of the committee, we have held this down to the dollar figure he uses, and we have also cut the indi-

vidual items back to that figure. Let us tie our cuts to congressional action and not leave it up to the discretion of the President and the Bureau of the Budget.

I hope the Members will vote down the amendment, because section 509 will stay in the bill and do in a much better way what the gentleman from Ohio seeks to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 66, noes 79.

Mr. BOW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Bow and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 99, noes 87.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia: On page 36 after line 2 insert the following:

"SEC. —. No part of the funds appropriated under this Act shall be used to pay salaries of any Federal employee who is convicted in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned."

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes in support of his amendment.

Mr. BROYHILL of Virginia. Mr. Chairman, in view of the disagreement as well as the misunderstanding as to what would be the full effect of the amendment I offered a few minutes ago that would restrict any of these funds being paid to any individual who was convicted of being involved in riots and civil disobedience, I have resubmitted the amendment and changed the language to state as follows:

No part of the funds appropriated under this Act shall be used to pay salaries of any Federal employee who is convicted—

And so forth. The previous language that was ambiguous said:

No part of the funds appropriated under this Act shall be used to provide payments, assistance, or services, in any form, with respect to any individual—

So we have restricted the language to apply solely, entirely, and exclusively to the salaries of Federal employees convicted, and I hope that this will cure some of the misunderstanding and bring forth some support for this amendment.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Virginia.

Mr. ABBITT. I commend the gentleman for this amendment. I am sure, if it is understood, it will be overwhelming—

ly adopted. It is needed and should be passed.

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

Mr. ABBITT. Mr. Chairman, I wholeheartedly support the amendment offered by the gentleman from Virginia [Mr. BROYHILL]. The amendment simply provides that no part of the funds in this appropriation shall be used to pay the salary of any person convicted of engaging in riots. It seems to me that this is the least we can do.

It is horrifying to me that a Federal employee who has been convicted of rioting will be kept on the payroll of the United States of America, and paid by moneys provided by honest taxpayers. We practically have open insurrection now due largely, in my opinion, because of the pampering of criminals, the knuckling under to minority pressure groups by the leaders of our Nation. It seems to me that any responsible public official who knew of the conviction of rioting of an employee in his department would immediately fire him; but we know that that just will not happen today or in the days ahead.

Apparently many of our officials are not willing to stand up for law and order, and it is going to be necessary for the Congress to do something to protect the law-abiding citizens of America.

Many Americans, who daily toil for a living and who follow the time-honored belief that able-bodied men are expected to follow some gainful employment, pay their taxes and live by the laws of the land, have been shocked by the so-called "demonstration" which began in Washington Monday.

The newspapers, radio, and television have given endless accounts of the march on the Nation's Capital as though it has become the biggest event in recent history. The whole undertaking has been publicized far out of proportion; and uncertainty on the part of Federal officials as to how the march will be dealt with has brought fear and frustration to millions of our people. No longer is Washington, D.C., looked upon as a mecca for spring tourists but as a place to avoid. This is tragic.

The arrogance of some of the leaders of the movement is appalling. Their demands border on the line of an ultimatum. They strut about the city as though they were representing all of our society when, in fact, they come without any portfolio save their own. I am shocked and amazed at the attitude of our officials, who seem to think that they have to be at the beck and call of the leaders of the movement and most passively sit by while the tune is played by which they must dance. Federal agencies and the Congress have been put on notice that if the demands of the movement are not met by May 30, then massive civil disobedience will take place. Further, we are warned that no new business will be transacted by this Congress until the business they have in mind is carried out.

How foolish can we be? How far will we permit this thing to go? Must we sit idly by and watch the great institutions

of this Government thwarted, manipulated, and perverted in this manner?

Congress has stood for more than 180 years and the great institutions of the executive branch have stood along with it in meeting the needs of our people. Not everything has been done to the satisfaction of all of us all the time, but we have honored these institutions and abided by the results of the orderly democratic processes of government. Now we have entered upon a time when a massive demonstration threatens to undercut all that we hold dear. The people who ridicule our system of government would destroy it in trying to bring about the things they seek. Yet, the only way in which their goals would ever be achieved would be through the very processes which they now criticize.

The time has come for us to be blunt and specific. Those who would change our ways and who would chart new paths are prepared to lay waste all that we hold dear. They are on record as saying that if peaceful methods do not bring the results they seek in the time schedule which is of their own making, then disobedience to our laws will follow.

We have been given graphic evidence of the form that such violation of laws will take. We have been threatened with invasion of our Federal buildings, blocking of bridges, stalling of automobiles and trains by people lying prostrate in front of them and wholesale camp-ins throughout our city. The mind is incapable of comprehending what all of this means. Certain officials of the Government tell us they are prepared to meet any emergency. But well do we recall the willy-nilly manner in which rioters and arsonists were dealt with a few weeks ago. Well do we recall how troops were sent here with public announcement that they carried no ammunition in their guns.

I believe that we need to deal with this matter seriously. Congress has a responsibility to ask questions about how this invasion of our city is to be dealt with and what force is to be used in seeking out those who may be plotting at this very minute the destruction of our city.

Last November 1, I introduced H.R. 13803 which would require a bond to be posted by those who would lead mass demonstrations and parades in Washington. I have asked the House Public Works Committee to hold hearings on the bill, but to this date nothing has been scheduled. Only the District government has responded to the committee's request for reports—and that report expressed opposition. Nothing has been heard from the Defense Department, the Justice Department, or the Department of the Interior. Is this a matter that can be taken lightly? I think not.

The time may well come when we look back upon the days in which we are now living and ask ourselves, "Why didn't we do something?" I trust it will not be too late.

Mr. BROYHILL of Virginia. I wonder if this will satisfy the gentleman from Iowa.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Iowa.

Mr. KYL. The gentleman from Iowa indicated in the first colloquy on this subject he had no objection to warning Federal employees that they were not to participate in riots. His objection went solely to the fact that the sins of the father or mother might be visited on innocents in the family. I do not have the same objection to this amendment.

Mr. BROYHILL of Virginia. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Illinois.

Mr. MICHEL. I commend the gentleman for redrafting the form of his amendment. It is much clearer now. I feel I can support the amendment in good conscience and only regret that we did not get the amendment adopted to the Post Office and Treasury Department bill when it was up on the floor of the House.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Washington.

Mr. FOLEY. Can I ask the gentleman why he does not extend his amendment to cover all felonies? Why should treason, murder, robbery, rape, and other crimes not carry a similar penalty?

Mr. BROYHILL of Virginia. I will accept such an amendment to my amendment if the gentleman cares to offer it. I had merely intended to cover crimes involving civil disobedience.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Washington.

Mr. FOLEY. I am just trying to find out what the gentleman's proposal is with regard to robbery, rape, or capital crimes. Should they come under the terms of the amendment and the penalties prescribed therefor?

Mr. BROYHILL of Virginia. I have no objection to that. I am just trying to get the Committee to go along with my amendment which has been offered. It is perfectly all right with me for these matters to be thoroughly gone into.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Washington.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. HOWARD. In case a person is convicted and comes under the purview of the provisions of the amendment which has been offered by the gentleman from Virginia [Mr. BROYHILL], and the penalty as given by the court may be for 60 days or 90 days, under the Broyhill amendment, will that penalty terminate at that time, or is there any termination at all as provided for in the amendment, or would it become a permanent thing?

Mr. BROYHILL of Virginia. I will say to the gentleman from New Jersey that my amendment provides for a 1-year sentence under the terms of the amendment for anyone so convicted of the matters set forth therein.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I think it is clear that the gentleman from Virginia [Mr. BROYHILL] is desperately seeking some way to get this amendment adopted by the House. Apparently, he is willing to write and rewrite his amendment for that purpose. But I must reiterate my opposition to this amendment and I hope the House will again reject it.

Mr. Chairman, if we are going to enact now penalties for rioting, that subject matter should be passed upon in the regular and normal course of our legislative process here in the House of Representatives. Such matters should be introduced separately, referred to and studied by the Committee on the Judiciary. That committee's report on such legislation should then come to the floor of the House for our consideration and for a vote thereon.

We should not be attempting to apply criminal sanctions in an appropriation bill under the jurisdiction of the Subcommittee on Agriculture of the Committee on Appropriation.

It was just pointed out that this penalty can only apply for a year. Does the proposed amendment apply to all Federal personnel or does it just cover U.S. Department of Agriculture personnel?

Mr. BROYHILL of Virginia. It applies to the employees of the Department of Agriculture.

Mr. FOLEY. Then it does not cover other Federal employees or those convicted of more serious crimes.

Mr. Chairman, the whole tenor of this amendment is to capitalize upon the emotions of the time. In my opinion, it is not a reasonable amendment. It is not going to help in the prevention or stop the breeding of riots. I think any Member of the House who is concerned about law enforcement ought to think carefully upon the question as to whether the adoption of this amendment would help or hurt the law-enforcement effort. In my judgment, it would hurt law enforcement and I urge the Members of the House to vote against it.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, the statement which was just made by the gentleman from Washington reminds me of the action on the floor of the House on April 10 when a number of us thought that the orderly process ought to have prevailed in the consideration of the so-called civil rights legislation.

I am intrigued now by the fact that there is so much interest now on the part of some people in behalf of the regular procedure—in the proper consideration of bills.

The House went very far afield on April 10 in asking the Members to vote up or down with practically no debate the bill as it came from the Senate.

Mr. Chairman, I really arose to ask the chairman of the subcommittee whether the use of foreign currencies in

Poland and perhaps other countries generated by Public Law 480 sales, for the purpose of establishing and maintaining sobering-up stations for drunks has been stopped by the committee or the administration?

Mr. WHITTEN. Mr. Chairman, would the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to my colleague from Iowa that I do not know of the overall activities of the government, and therefore cannot go into detail on all of them.

Insofar as the Department of Agriculture is concerned, the only use of foreign currencies that I know about is for research and market development, the benefits of which redound to our well-being.

For instance, in several areas we are doing research on hoof-and-mouth disease. We do not wish to bring that disease into our own country to do the research, so we are carrying that research out in countries that already have the problem.

I cannot vouch for what is happening to foreign currency generated by other agencies of the Government, but insofar as the Department of Agriculture is concerned, they are not in the business you describe.

Mr. GROSS. There is quite a difference, it seems to me, between using foreign currency in which the American taxpayers have a vested interest, for the purpose of stopping the spread of hoof-and-mouth disease, and that of sobering up drunks in Poland or anywhere else.

I do not see any similarity between the two uses and I would hope that the Subcommittee on Agriculture Appropriations, which has a vital interest in Public Law 480, would bring its influence to bear on the administrators who permit the use of our funds for the purpose of sobering up drunks in any foreign country.

Mr. WHITTEN. The gentleman from Iowa, being on the Committee on Foreign Affairs, has a much wider knowledge of many of these things than I do. The only funds that we have any control over are those that are used by the Department of Agriculture. When I mentioned the research on hoof-and-mouth disease, that is within the jurisdiction of the Department of Agriculture, so I have a knowledge of it. Insofar as sobering up the drunks, I just do not know who has charge of that phase of our governmental activity, or who has charge of the foreign currencies that might be used in that way. I confess my ignorance in that area.

Mr. GROSS. I just say that if the Poles want to get drunk, let them do so but not use funds generated by U.S. taxpayers to sober them up. That is all.

Mr. WHITTEN. Well, the gentleman should refer his question to someone who has knowledge of it. I certainly cannot tell the gentleman a fairy tale. So all I can do is direct the gentleman to somebody else.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The question was taken; and on a division (demanded by Mr. FOLEY), there were—ayes 86, noes 60.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk concluded the reading of the bill.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. CORMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross. The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 70, answered "present" 1, not voting 44, as follows:

[Roll No. 111]

YEAS—318

Abbutt	Brooks	de la Garza
Abernethy	Broomfield	Delaney
Addabbo	Brozman	Dellenback
Albert	Brown, Mich.	Denney
Anderson, Ill.	Brown, Ohio	Derwinski
Anderson, Tenn.	Broyhill, N.C.	Dickinson
Andrews, N. Dak.	Broyhill, Va.	Diggs
Annunzio	Burke, Fla.	Dingell
Arends	Burke, Mass.	Dole
Ashbrook	Burleson	Donohue
Aspinall	Burton, Calif.	Dow
Ayres	Burton, Utah	Downing
Bates	Bush	Dulski
Battin	Button	Duncan
Belcher	Byrne, Pa.	Dwyer
Bennett	Byrnes, Wis.	Eckhardt
Berry	Cabell	Edmondson
Betts	Cahill	Edwards, Ala.
Bevill	Carter	Edwards, La.
Bieber	Casey	Eilberg
Bingham	Cederberg	Erlenborn
Blackburn	Chamberlain	Esch
Blanton	Clark	Evans, Colo.
Blatnik	Clausen, Don H.	Everett
Boggs	Collier	Evins, Tenn.
Boland	Conte	Fallon
Bolling	Corman	Fascell
Bow	Cowger	Findley
Brademas	Cramer	Fisher
Brasco	Culver	Flood
Bray	Daddario	Flynt
Brinkley	Daniels	Foley
	Davis, Ga.	Fountain
		Fraser

Frelinghuysen	McClory	Rivers
Friedel	McCloskey	Roberts
Fulton, Tenn.	McClure	Rodino
Fuqua	McCulloch	Rogers, Colo.
Gallagher	McDade	Rogers, Fla.
Garmatz	McDonald,	Ronan
Gathings	Mich.	Rooney, N.Y.
Gettys	McEwen	Rooney, Pa.
Gialmo	McFall	Rostenkowski
Gilbert	McMillan	Roth
Gonzalez	Macdonald,	Roudebush
Gray	Mass.	Roush
Green, Pa.	MacGregor	Ruppe
Griffin	Machen	Satterfield
Griffiths	Madden	Schadeberg
Gross	Mahon	Scherle
Gubser	Marsh	Schweiker
Gurney	Martin	Schwengel
Haley	Mathias, Calif.	Scott
Hall	Matsunaga	Shipley
Halleck	May	Sikes
Halpern	Mayne	Sisk
Hamilton	Meeds	Skubitz
Hammer-	Meskill	Slack
schmidt	Michel	Smith, Iowa
Hanley	Miller, Calif.	Smith, Okla.
Hansen, Idaho	Miller, Ohio	Snyder
Hansen, Wash.	Mills	Springer
Hardy	Minish	Stafford
Harrison	Mize	Staggers
Harsha	Monagan	Stanton
Harvey	Montgomery	Steed
Hathaway	Moorhead	Steiger, Ariz.
Hawkins	Morgan	Steiger, Wis.
Hébert	Morris, N. Mex.	Stephens
Hechler, W. Va.	Mosher	Stratton
Heckler, Mass.	Moss	Stuckey
Helstoski	Murphy, Ill.	Sullivan
Henderson	Murphy, N.Y.	Talcott
Herlong	Myers	Taylor
Holifield	Natcher	Teague, Tex.
Horton	Nix	Tenzer
Hull	O'Hara, Ill.	Thompson, Ga.
Hungate	O'Hara, Mich.	Thompson, N.J.
Hunt	O'Konski	Thomson, Wis.
Hutchinson	Olsen	Tiernan
Ichord	O'Neal, Ga.	Tuck
Jarman	Passman	Tunney
Johnson, Pa.	Patman	Udall
Jonas	Patten	Ullman
Jones, Ala.	Pepper	Vander Jagt
Jones, Mo.	Perkins	Vigorito
Jones, N.C.	Pettis	Waggonner
Kastenmeier	Philbin	Walker
Kazen	Pickle	Wampler
Kee	Pirnie	Watkins
Keith	Poage	Watson
Kelly	Podell	Watts
King, N.Y.	Poff	White
Kirwan	Pollock	Whitener
Kleppe	Pool	Whitten
Kluczynski	Price, Ill.	Williams, Pa.
Kornegay	Price, Tex.	Wilson, Bob
Kuykendall	Purcell	Wilson,
Kyl	Quie	Charles H.
Kyros	Quillen	Winn
Laird	Railsback	Wright
Langen	Randall	Wylie
Latta	Rarick	Wyman
Leggett	Reid, Ill.	Young
Lennon	Reifel	Zablocki
Lloyd	Reuss	Zion
Long, La.	Rhodes, Ariz.	Zwach
Long, Md.	Rhodes, Pa.	
Lukens	Riegle	

NAYS—70

Adams	Grover	Roybal
Ashley	Gude	Rumsfeld
Bell	Hanna	Ryan
Brock	Hicks	St Germain
Buchanan	Hosmer	Sandman
Carey	Howard	Saylor
Clancy	Joelson	Scheuer
Clawson, Del	Lipscomb	Schneebeli
Cleveland	McCarthy	Smith, Calif.
Cohelan	Mailliard	Smith, N.Y.
Conable	Mathias, Md.	Taft
Conyers	Mink	Teague, Calif.
Corbett	Minshall	Utt
Curtis	Morton	Van Deerlin
Davis, Wis.	Nedzi	Waldie
Devine	Ottinger	Whalen
Eshleman	Pelly	Whalley
Farbstein	Pike	Widnall
Fino	Pucinski	Wiggins
Ford, Gerald R.	Rees	Wolff
Ford,	Reid, N.Y.	Wyatt
William D.	Reinecke	Wydler
Goodell	Robison	Yates
Goodling	Rosenthal	

ANSWERED "PRESENT"—1

Morse, Mass.

NOT VOTING—44

Adair	Feighan	Kupferman
Andrews, Ala.	Fulton, Pa.	Landrum
Ashmore	Galifianakis	Moore
Baring	Gardner	Nelsen
Barrett	Gibbons	Nichols
Bolton	Green, Oreg.	O'Neill, Mass.
Brown, Calif.	Hagan	Pryor
Celler	Hays	Resnick
Colmer	Holland	St. Onge
Cunningham	Irwin	Selden
Dawson	Jacobs	Shriver
Dent	Johnson, Calif.	Stubblefield
Dorn	Karsten	Vanik
Dowdy	Karth	Willis
Edwards, Calif.	King, Calif.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Shriver for, with Mr. Morse against.
 Mr. O'Neill of Massachusetts for, with Mr. Brown of California against.

Until further notice:

Mr. Dorn with Mr. Adair.
 Mr. Celler with Mrs. Bolton.
 Mr. Dent with Mr. Nelsen.
 Mr. Galifianakis with Mr. Fulton of Pennsylvania.
 Mr. Barrett with Mr. Cunningham.
 Mr. King of California with Mr. Moore.
 Mr. Pryor with Mr. Kupferman.
 Mr. Andrews of Alabama with Mr. Gardner.
 Mr. Hagan with Mr. Hays.
 Mr. St. Onge with Mr. Resnick.
 Mr. Feighan with Mr. Edwards of California.
 Mr. Ashmore with Mr. Baring.
 Mr. Landrum with Mr. Karsten.
 Mr. Holland with Mr. Dawson.
 Mr. Dowdy with Mr. Nichols.
 Mr. Vanik with Mr. Johnson of California.
 Mr. Willis with Mr. Jacobs.
 Mr. Ichord with Mrs. Green of Oregon.
 Mr. Colmer with Mr. Karth.
 Mr. Gibbons with Mr. Stubblefield.

Mr. MINISH changed his vote from "nay" to "yea."

Mr. JOELSON changed his vote from "yea" to "nay."

Mr. GOODLING changed his vote from "yea" to "nay."

Mr. MORSE of Massachusetts. Mr. Speaker, I have a live pair with the gentleman from Kansas [Mr. SHRIVER]. If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CORRECTION OF THE RECORD

Mr. RYAN. Mr. Speaker, I ask unanimous consent that the permanent bound CONGRESSIONAL RECORD be corrected as

follows: On page H11891 of the CONGRESSIONAL RECORD for March 13, 1968, the fourth paragraph of my remarks contains an erroneous figure for the appropriation for the Public Works Committee. Instead of \$50,000, the figure should read \$550,000.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENDING HIGHER EDUCATION STUDENT ASSISTANT PROGRAM

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1150 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1150

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16729) to extend for two years certain programs providing assistance to students at institutions of higher education, to modify such programs, and to provide for planning, evaluation, and adequate leadtime in such programs, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to reconsider.

The SPEAKER pro tempore. The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Nebraska [Mr. MARTIN] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1150 provides an open rule, waiving points of order, with 1 hour of general debate for consideration of H.R. 16729 to extend the higher education student assistance programs. The waiver of points of order was requested due to a transfer of funds in the bill.

H.R. 16729 would extend for 2 years certain programs providing assistance to students at institutions of higher education, to modify such programs, and to provide for planning, evaluation, and adequate leadtime in such programs.

The principal provisions of the bill are designed to:

First. Extend through fiscal year 1970 the college work-study program carried on under title I of the Economic Opportunity Act;

Second. Extend through fiscal year 1970 the student loan program carried on under title II of the NDEA;

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 2, 1968

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the Depart-
- 5 ment of Agriculture and related agencies for the fiscal
- 6 year ending June 30, 1969, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quaran-
9 tine and regulatory work: *Provided*, That appropriations
10 hereunder shall be available for field employment pursuant
11 to the second sentence of section 706 (a) of the Organic
12 Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000
13 shall be available for employment under 5 U.S.C. 3109:
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed three for replacement only:
17 *Provided further*, That appropriations hereunder shall be
18 available pursuant to 7 U.S.C. 2225, for the construction,
19 alteration, and repair of buildings and improvements, but
20 unless otherwise provided, the cost of constructing any one
21 building (except headhouses connecting greenhouses) shall
22 not exceed \$25,000, except for six buildings to be constructed
23 or improved at a cost not to exceed \$55,000 each, and the
24 cost of altering any one building during the fiscal year shall
25 not exceed \$7,500 or 7.5 per centum of the cost of the

1 building, whichever is greater: *Provided further*, That the
2 limitations on alterations contained in this Act shall not apply
3 to a total of \$100,000 for facilities at Beltsville, Maryland:

4 Research: For research and demonstrations on the pro-
5 duction and utilization of agricultural products; agricultural
6 marketing and distribution, not otherwise provided for; home
7 economics or nutrition and consumer use of agricultural and
8 associated products; and related research and services; and
9 for acquisition of land by donation, exchange, or purchase at
10 a nominal cost not to exceed \$100; \$125,972,500, and in ad-
11 dition not to exceed \$15,000,000 from funds available under
12 section 32 of the Act of August 24, 1935, pursuant to Public
13 Law 88-250 shall be transferred to and merged with this
14 appropriation: *Provided*, That the limitations contained here-
15 in shall not apply to replacement of buildings needed to carry
16 out the Act of April 24, 1948 (21 U.S.C. 113a) : *Provided*
17 *further*, That none of the funds appropriated in this Act shall
18 be used to formulate a budget estimate for fiscal 1970 of
19 more than \$15,000,000 for research to be financed by trans-
20 fer from funds available under section 32 of the Act of
21 August 24, 1935, and pursuant to Public Law 88-25;

22 Plant and animal disease and pest control: For opera-
23 tions and measures, not otherwise provided for, to control
24 and eradicate pests and plant and animal diseases and for
25 carrying out assigned inspection, quarantine, and regulatory

1 activities, as authorized by law, including expenses pursuant
2 to the Act of February 28, 1947, as amended (21 U.S.C.
3 114b-c), \$85,298,500, of which \$1,500,000 shall be ap-
4 portioned for use pursuant to section 3679 of the Re-
5 vised Statutes, as amended, for the control of outbreaks
6 of insects and plant diseases to the extent necessary
7 to meet emergency conditions: *Provided*, That no funds shall
8 be used to formulate or administer a brucellosis eradication
9 program for the current fiscal year that does not require
10 minimum matching by any State of at least 40 per centum:
11 *Provided further*, That, in addition, in emergencies which
12 threaten the livestock or poultry industries of the
13 country, the Secretary may transfer from other appro-
14 priations or funds available to the agencies or corporations
15 of the Department such sums as he may deem necessary, to
16 be available only in such emergencies for the arrest and
17 eradication of foot-and-mouth disease, rinderpest, contagious
18 pleuropneumonia, or other contagious or infectious diseases
19 of animals, or European fowl pest and similar diseases in
20 poultry, and for expenses in accordance with the Act of
21 February 28, 1947, as amended, and any unexpended bal-
22 ances of funds transferred under this head in the next pre-
23 ceding fiscal year shall be merged with such transferred
24 amounts;

25 Special fund: To provide for additional labor, subpro-

1 fessional and junior scientific help to be employed under
2 contracts and cooperative agreements to strengthen the work
3 at research installations in the field, not more than \$2,000,-
4 000 of the amount appropriated under this head for the
5 previous fiscal year may be used by the Administrator of the
6 Agricultural Research Service in departmental research
7 programs in the current fiscal year, the amount so
8 used to be transferred to and merged with the appropriation
9 otherwise available under "Salaries and expenses, Research".

10 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY
11 PROGRAM)

12 For payments, in foreign currencies owed to or owned
13 by the United States for market development research au-
14 thorized by section 104 (b) (1) and for agricultural and
15 forestry research and other functions related thereto author-
16 ized by section 104 (b) (3) of the Agricultural Trade De-
17 velopment and Assistance Act of 1954, as amended (7
18 U.S.C. 1704 (b) (1), (3)), to remain available until ex-
19 pended, \$4,500,000; and in addition, the June 30, 1968
20 unexpended balance of funds appropriated to the President
21 in the Supplemental Appropriation Act, 1959 (Public Law
22 85-766, approved August 27, 1958) under the heading
23 "Translation of publications and scientific cooperation" shall
24 be merged with this appropriation: *Provided*, That this
25 appropriation shall be available, in addition to other ap-

1 appropriations for these purposes, for payments in the foregoing
2 currencies: *Provided further*, That funds appropriated herein
3 shall be used for payments in such foreign currencies as the
4 Department determines are needed and can be used most
5 effectively to carry out the purposes of this paragraph: *Pro-*
6 *vided further*, That not to exceed \$25,000 of this appropria-
7 tion shall be available for payments in foreign currencies for
8 expenses of employment pursuant to the second sentence of
9 section 706 (a) of the Organic Act of 1944 (7 U.S.C.
10 2225), as amended by 5 U.S.C. 3109.

11 COOPERATIVE STATE RESEARCH SERVICE

12 PAYMENTS AND EXPENSES

13 For payments to agricultural experiment stations, for
14 grants for cooperative forestry and other research, for facili-
15 ties, and for other expenses, including \$51,113,000 to carry
16 into effect the provisions of the Hatch Act, approved March
17 2, 1887, as amended by the Act approved August 11, 1955
18 (7 U.S.C. 361a-361i), including administration by the
19 United States Department of Agriculture; \$3,370,000 for
20 grants for cooperative forestry research under the Act ap-
21 proved October 10, 1962 (16 U.S.C. 582a-582a-7) ; \$1,-
22 800,000 in addition to funds otherwise available for contracts
23 and grants for scientific research under the Act of August 4,
24 1965 (7 U.S.C. 450i) of which \$1,000,000 shall be for

1 the special cotton research program and \$400,000 for soy-
 2 bean research; \$2,000,000 for grants for facilities under the
 3 Act approved July 22, 1963 (7 U.S.C. 390-390k) ; \$310,-
 4 000 for penalty mail costs of agricultural experiment stations
 5 under section 6 of the Hatch Act of 1887, as amended; and
 6 \$365,000, for necessary expenses of the Cooperative State
 7 Research Service, including administration of payments to
 8 State agricultural experiment stations, funds for employment
 9 pursuant to the second sentence of section 706 (a) of the
 10 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
 11 \$50,000 for employment under 5 U.S.C. 3109; in all, \$58,-
 12 958,000.

13 EXTENSION SERVICE

14 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES
 15 Payments to States and Puerto Rico: For payments for
 16 cooperative agricultural extension work under the Smith-
 17 Lever Act, as amended by the Act of June 26, 1953, the
 18 Act of August 11, 1955, and the Act of October 5, 1962 (7
 19 U.S.C. 341-349), to be distributed under sections 3 (b) and
 20 3 (c) of the Act, \$77,082,500; and payments and contracts
 21 for such work under section 204 (b) -205 of the Agricultural
 22 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,450,000;
 23 in all, \$78,532,500: *Provided*, That funds hereby appro-
 24 priated pursuant to section 3 (c) of the Act of June 26, 1953.

1 shall not be paid to any State or Puerto Rico prior to avail-
2 ability of an equal sum from non-Federal sources for expendi-
3 ture during the current fiscal year.

4 Retirement and Employees' Compensation costs for ex-
5 tension agents: For cost of employer's share of Federal re-
6 tirement and for reimbursement for benefits paid from the
7 Employees' Compensation Fund for cooperative extension
8 employees, \$8,818,500.

9 Penalty mail: For costs of penalty mail for cooperative
10 extension agents and State extension directors, \$3,299,000.

11 Federal Extension Service: For administration of the
12 Smith-Lever Act, as amended by the Act of June 26, 1953,
13 the Act of August 11, 1955, and the Act of October 5, 1962
14 (7 U.S.C. 341-349), and extension aspects of the Agri-
15 cultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and
16 to coordinate and provide program leadership for the exten-
17 sion work of the Department and the several States and
18 insular possessions, \$2,838,000.

19 FARMER COOPERATIVE SERVICE

20 SALARIES AND EXPENSES

21 For necessary expenses to carry out the Act of July 2,
22 1926 (7 U.S.C. 451-457), and for conducting research re-
23 lating to the economic and marketing aspects of farmer co-
24 operatives, as authorized by the Agricultural Marketing
25 Act of 1946 (7 U.S.C. 1621-1627), \$1,341,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$114,893,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this

1 appropriation shall be available for the construction of any
2 such building on land not owned by the Government: *Pro-*
3 *vided further*, That no part of this appropriation may be
4 expended for soil and water conservation operations under
5 the Act of April 27, 1935 (16 U.S.C. 590a-590f) in
6 demonstration projects: *Provided further*, That this appro-
7 priation shall be available for field employment pursuant
8 to the second sentence of section 706 (a) of the Organic
9 Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000
10 shall be available for employment under 5 U.S.C. 3109:
11 *Provided further*, That qualified local engineers may be
12 temporarily employed at per diem rates to perform the tech-
13 nical planning work of the service.

14 WATERSHED PLANNING

15 For necessary expenses for small watershed investiga-
16 tions and planning, in accordance with the Watershed Pro-
17 tection and Flood Prevention Act, as amended (16 U.S.C.
18 1001-1008), to remain available until expended, \$6,165,-
19 000, with which shall be merged the unexpended balances
20 of funds heretofore appropriated under this head: *Provided*,
21 That this appropriation shall be available for field employ-
22 ment pursuant to the second sentence of section 706 (a)
23 of the Organic Act of 1944 (7 U.S.C. 2225), and not to
24 exceed \$50,000 shall be available for employment under
25 5 U.S.C. 3109.

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research, and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended; \$65,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home administration shall be available until expended for loans.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activi-

1 ties of the Department, to perform works of improvement,
2 including funds for field employment pursuant to the second
3 sentence of section 706 (a) of the Organic Act of 1944
4 (7 U.S.C. 2225), and not to exceed \$100,000 for employ-
5 ment under 5 U.S.C. 3109, to remain available until ex-
6 pended; \$20,000,000, with which shall be merged the
7 unexpended balances of funds heretofore appropriated or
8 transferred to the Department for flood prevention purposes:
9 *Provided*, That \$400,000 of funds in the direct loan account
10 of the Farmers Home Administration shall be available
11 until expended for loans.

12 GREAT PLAINS CONSERVATION PROGRAM

13 For necessary expenses to carry into effect a program of
14 conservation in the Great Plains area, pursuant to section 16
15 (b) of the Soil Conservation and Domestic Allotment Act,
16 as added by the Act of August 7, 1956 (16 U.S.C. 590p),
17 \$16,000,000, to remain available until expended.

18 RESOURCE CONSERVATION AND DEVELOPMENT

19 For necessary expenses in planning and carrying out
20 projects for resource conservation and development, and for
21 sound land use, pursuant to the provisions of section 32 (e)
22 of title III of the Bankhead-Jones Farm Tenant Act, as
23 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
24 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$6,-
25 256,000, to remain available until expended: *Provided*, That

1 \$1,500,000 of the funds available in the direct loan account
2 of the Farmers Home Administration shall be available for
3 loans under subtitle A of the Consolidated Farmers Home
4 Administration Act of 1961, as amended, to remain avail-
5 able until expended: *Provided further*, That this appropria-
6 tion shall be available for field employment pursuant to the
7 second sentence of section 706 (a) of the Organic Act of
8 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall
9 be available for employment under 5 U.S.C. 3109.

10 ECONOMIC RESEARCH SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses of the Economic Research Serv-
13 ice in conducting economic research and service relating to
14 agricultural production, marketing, and distribution, as
15 authorized by the Agricultural Marketing Act of 1946 (7
16 U.S.C. 1621-1627), and other laws, including economics of
17 marketing; analyses relating to farm prices, income and
18 population, and demand for farm products, use of resources
19 in agriculture, adjustments, costs and returns in farming,
20 and farm finance; and for analyses of supply and demand for
21 farm products in foreign countries and their effect on pros-
22 pects for United States exports, progress in economic devel-
23 opment and its relation to sales of farm products, assembly
24 and analysis of agricultural trade statistics and analysis of

1 international financial and monetary programs and policies as
2 they affect the competitive position of United States farm
3 products; \$12,789,000: *Provided*, That not less than \$350,-
4 000 of the funds contained in this appropriation shall be
5 available to continue to gather statistics and conduct a special
6 study on the price spread between the farmer and con-
7 sumer: *Provided further*, That this appropriation shall be
8 available for employment pursuant to the second sentence
9 of section 706 (a) of the Organic Act of 1944 (7 U.S.C.
10 2225), and not to exceed \$75,000 shall be available for
11 employment under 5 U.S.C. 3109: *Provided further*, That
12 not less than \$145,000 of the funds contained in this appro-
13 priation shall be available for analysis of statistics and related
14 facts on foreign production and full and complete informa-
15 tion on methods used by other countries to move farm
16 commodities in world trade on a competitive basis.

17 STATISTICAL REPORTING SERVICE

18 SALARIES AND EXPENSES

19 For necessary expenses of the Statistical Reporting Serv-
20 ice in conducting statistical reporting and service work, in-
21 cluding crop and livestock estimates, statistical coordination
22 and improvements, and marketing surveys, as authorized by
23 the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
24 1627) and other laws, \$14,184,500: *Provided*, That no part
25 of the funds herein appropriated shall be available for any

1 expense incident to publishing estimates of apple production
2 for other than the commercial crop: *Provided further*, That
3 this appropriation shall be available for employment pur-
4 suant to the second sentence of section 706 (a) of the
5 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
6 \$40,000 shall be available for employment under 5 U.S.C.
7 3109.

8 CONSUMER AND MARKETING SERVICE

9 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY

10 PROGRAMS

11 For expenses necessary to carry on services related to
12 consumer protection, agricultural marketing and distribution,
13 and regulatory programs, other than Packers and Stockyards
14 Act, as authorized by law, and for administration and co-
15 ordination of payments to States; including field employment
16 pursuant to section 706 (a) of the Organic Act of 1944
17 (7 U.S.C. 2225), and not to exceed \$25,000 for employment
18 under 5 U.S.C. 3109, in carrying out section 201 (a) to
19 201 (d), inclusive, of title II of the Agricultural Adjustment
20 Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the
21 Agricultural Marketing Act of 1946; \$118,989,500, of which
22 \$13,440,250 shall be placed in reserve to be released only
23 after the inspection activities of this service have been fully
24 coordinated and placed on an efficient and economical oper-
25 ating basis: *Provided*, That this appropriation shall be avail-

1 able pursuant to law (7 U.S.C. 2225) for the alteration and
 2 repair of buildings and improvements, but, unless otherwise
 3 provided, the cost of altering any one building during the
 4 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
 5 cost of the building, whichever is greater.

6 PAYMENTS TO STATES AND POSSESSIONS

7 For payments to departments of agriculture, bureaus
 8 and departments of markets, and similar agencies for mar-
 9 keting activities under section 204 (b) of the Agricultural
 10 Marketing Act of 1946 (7 U.S.C. 1623 (b)), \$1,750,000.

11 SPECIAL MILK PROGRAM

12 For necessary expenses to carry out the Special Milk
 13 Program, as authorized by the Child Nutrition Act of 1966
 14 (42 U.S.C. 1772) , \$104,000,000, to be transferred from
 15 funds available under section 32 of the Act of August 24,
 16 1935 (7 U.S.C. 612c) .

17 SCHOOL LUNCH PROGRAM

18 For necessary expenses to carry out the provisions of
 19 the National School Lunch Act, as amended (42 U.S.C.
 20 1751-1760) and the applicable provisions of the Child
 21 Nutrition Act of 1966 (42 U.S.C. 1773-1785) , \$182,825,-
 22 000, including \$5,000,000 for special assistance to needy
 23 schools, \$3,500,000 for the pilot school breakfast program,
 24 \$750,000 for the nonfood assistance program: *Provided*,
 25 That no part of this appropriation shall be used for nonfood

1 assistance under section 5 of the National School Lunch Act,
2 as amended: *Provided further*, That \$64,325,000 shall be
3 transferred to this appropriation from funds available under
4 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),
5 for purchase and distribution of agricultural commodities
6 and other foods pursuant to section 6 of the National School
7 Lunch Act.

8 FOOD STAMP PROGRAM

9 For necessary expenses of the food stamp program pur-
10 suant to the Food Stamp Act of 1964, as amended, \$225,-
11 000,000, of which \$25,000,000 shall be placed in reserve to
12 be used only to the extent required during the current fiscal
13 year after various corrections are made in the handling
14 of the program.

15 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

16 (SECTION 32)

17 No funds available under section 32 of the Act of August
18 24, 1935 (7 U.S.C. 612c) shall be used for any purpose
19 other than commodity program expenses as authorized there-
20 in, and other related operating expenses, except for (1)
21 transfers to the Department of the Interior as authorized by
22 the Fish and Wildlife Act of August 8, 1956, (2) transfers
23 otherwise provided in this Act, and (3) not more than
24 \$2,950,000 for formulation and administration of marketing

1 agreements and orders pursuant to the Agricultural Mar-
2 keting Agreement Act of 1937, as amended, and the Agri-
3 cultural Act of 1961.

4 FOREIGN AGRICULTURAL SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses for the Foreign Agricultural
7 Service, including carrying out title VI of the Agricultural
8 Act of 1954 (7 U.S.C. 1761-1768), market development
9 activities abroad, and for enabling the Secretary to coordi-
10 nate and integrate activities of the Department in connection
11 with foreign agricultural work, including not to exceed
12 \$35,000 for representation allowances and for expenses
13 pursuant to section 8 of the Act approved August 3, 1956
14 (7 U.S.C. 1766), \$21,153,800: *Provided*, That not less
15 than \$255,000 of the funds contained in this appropriation
16 shall be available to obtain statistics and related facts on
17 foreign production and full and complete information on
18 methods used by other countries to move farm commodities in
19 world trade on a competitive basis: *Provided further*, That,
20 in addition, not to exceed \$3,117,000 of the funds appropri-
21 ated by section 32 of the Act of August 24, 1935, as
22 amended (7 U.S.C. 612c), shall be merged with this appro-
23 priation and shall be available for all expenses of the Foreign
24 Agricultural Service.

1 COMMODITY EXCHANGE AUTHORITY

2 SALARIES AND EXPENSES

3 For necessary expenses to carry into effect the provisions
4 of the Commodity Exchange Act, as amended (7 U.S.C. 1-
5 17a), \$1,530,000.

6 AGRICULTURAL STABILIZATION AND CONSERVATION

7 SERVICE

8 EXPENSES, AGRICULTURAL STABILIZATION AND

9 CONSERVATION SERVICE

10 For necessary administrative expenses of the Agricul-
11 tural Stabilization and Conservation Service, including ex-
12 penses to formulate and carry out programs authorized by
13 title III of the Agricultural Adjustment Act of 1938, as
14 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as
15 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a),
16 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conserva-
17 tion and Domestic Allotment Act, as amended (16 U.S.C.
18 590g-590q); subtitles B and C of the Soil Bank Act (7
19 U.S.C. 1831-1837, 1802-1814, and 1816); and laws per-
20 taining to the Commodity Credit Corporation, \$141,031,-
21 400: *Provided*, That, in addition, not to exceed \$62,764,-
22 100 may be transferred to and merged with this appropria-
23 tion from the Commodity Credit Corporation fund (including
24 not to exceed \$27,205,000 under the limitation on Commod-

ity Credit Corporation administrative expenses) : *Provided*
further, That other funds made available to the Agricultural
 Stabilization and Conservation Service for authorized activ-
 ities may be advanced to and merged with this appropriation :
Provided further, That no part of the funds appropriated or
 made available under this Act shall be used (1) to influence
 the vote in any referendum; (2) to influence agricultural
 legislation, except as permitted in 18 U.S.C. 1913; or (3)
 for salaries or other expenses of members of county and
 community committees established pursuant to section 8 (b)
 of the Soil Conservation and Domestic Allotment Act, as
 amended, for engaging in any activities other than advisory
 and supervisory duties and delegated program functions pre-
 scribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provi-
 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
 \$80,000,000, to remain available until June 30 of the next
 succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program
 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
 Conservation and Domestic Allotment Act, approved Feb-
 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
 590p (a), and 590q), including not to exceed \$6,000 for the

1 preparation and display of exhibits, including such displays
2 at State, interstate, and international fairs within the United
3 States, \$190,000,000, to remain available until December 31
4 of the next succeeding fiscal year for compliance with the
5 programs of soil-building and soil- and water-conserving
6 practices authorized under this head in the Department of
7 Agriculture and Related Agencies Appropriation Acts, 1967
8 and 1968, carried out during the period July 1, 1966, to
9 December 31, 1968, inclusive: *Provided*, That none of the
10 funds herein appropriated shall be used to pay the salaries or
11 expenses of any regional information employees or any State
12 information employees, but this shall not preclude the an-
13 swering of inquiries or supplying of information at the county
14 level to individual farmers: *Provided further*, That no por-
15 tion of the funds for the current year's program may be
16 utilized to provide financial or technical assistance for drain-
17 age on wetlands now designated as Wetland Types 3 (III),
18 4 (IV), and 5 (V) in United States Department of the
19 Interior, Fish and Wildlife Circular 39, Wetlands of the
20 United States, 1956: *Provided further*, That necessary
21 amounts shall be available for administrative expenses in
22 connection with the formulation and administration of the
23 1969 program of soil-building and soil- and water-conserving
24 practices, including related wildlife conserving practices, un-

1 der the Act of February 29, 1936, as amended (amounting
2 to \$220,000,000, excluding administration, except that no
3 participant shall receive more than \$2,500, except where the
4 participants from two or more farms or ranches join to carry
5 out approved practices designed to conserve or improve the
6 agricultural resources of the community) : *Provided further,*
7 That not to exceed 5 per centum of the allocation for the
8 current year's agricultural conservation program for any
9 county may, on the recommendation of such county commit-
10 tee and approval of the State committee, be withheld and
11 allotted to the Soil Conservation Service for services of its
12 technicians in formulating and carrying out the agricultural
13 conservation program in the participating counties, and shall
14 not be utilized by the Soil Conservation Service for any pur-
15 pose other than technical and other assistance in such coun-
16 ties, and in addition, on the recommendation of such county
17 committee and approval of the State committee, not to ex-
18 ceed 1 per centum may be made available to any other
19 Federal, State, or local public agency for the same purpose
20 and under the same conditions: *Provided further,* That for
21 the current year's program \$2,500,000 shall be available for
22 technical assistance in formulating and carrying out agricul-
23 tural conservation practices: *Provided further,* That such
24 amounts shall be available for the purchase of seeds, fertil-
25 izers, lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricultural
2 producers to aid them in carrying out farming practices ap-
3 proved by the Secretary under programs provided for herein:
4 *Provided further*, That no part of any funds available to the
5 Department, or any bureau, office, corporation, or other
6 agency constituting a part of such Department, shall be used
7 in the current fiscal year for the payment of salary or travel
8 expenses of any person who has been convicted of violating
9 the Act entitled "An Act to prevent pernicious political
10 activities", approved August 2, 1939, as amended, or who
11 has been found in accordance with the provisions of title 18,
12 United States Code, section 1913, to have violated or at-
13 tempted to violate such section which prohibits the use of
14 Federal appropriations for the payment of personal services
15 or other expenses designed to influence in any manner a
16 Member of Congress to favor or oppose any legislation or
17 appropriation by Congress except upon request of any Mem-
18 ber or through the proper official channels.

19 CROPLAND ADJUSTMENT PROGRAM

20 For necessary expenses to carry into effect a cropland
21 adjustment program as authorized by the Food and Agri-
22 culture Act of 1965 (7 U.S.C. 1838), \$84,500,000.

23 CONSERVATION RESERVE PROGRAM

24 For necessary expenses to carry out a conservation
25 reserve program as authorized by subtitles B and C of the

1 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
2 1816), and to carry out liquidation activities for the acreage
3 reserve program, to remain available until expended, \$109,-
4 000,000, with which may be merged the unexpended bal-
5 ances of funds heretofore appropriated for soil bank pro-
6 grams: *Provided*, That no part of these funds shall be paid
7 on any contract which is illegal under the law due to the
8 division of lands for the purpose of evading limits on annual
9 payments to participants.

10 EMERGENCY CONSERVATION MEASURES

11 For emergency conservation measures, to be used for the
12 same purposes and subject to the same conditions as funds
13 appropriated under this head in the Third Supplemental Ap-
14 propriation Act, 1957, to remain available until expended,
15 \$5,000,000, with which shall be merged the unexpended
16 balances of funds heretofore appropriated for emergency con-
17 servation measures.

18 RURAL COMMUNITY DEVELOPMENT SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses, not otherwise provided for, of the
21 Rural Community Development Service in providing leader-
22 ship and related services in carrying out the rural areas
23 development activities of the Department, \$463,000: *Pro-*
24 *vided*, That not to exceed \$3,000 shall be available for em-
25 ployment under 5 U.S.C. 3109.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$10,000 for employment under 5 U.S.C. 3109, \$12,276,000.

PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, \$2,565,300.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$4,461,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,965,000, of which total

1 appropriation not to exceed \$587,000 may be used for
2 farmers' bulletins, which shall be adapted to the interests
3 of the people of the different sections of the country,
4 an equal proportion of four-fifths of which shall be available
5 to be delivered to or sent out under the addressed franks fur-
6 nished by the Senators, Representatives, and Delegates in
7 Congress, as they shall direct (7 U.S.C. 417), and not less
8 than two hundred and thirty-two thousand two hundred and
9 fifty copies for the use of the Senate and House of Repre-
10 sentatives of part 2 of the annual report of the Secretary
11 (known as the Yearbook of Agriculture) as authorized by
12 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
13 *Provided*, That in the preparation of motion pictures or ex-
14 hibits by the Department, this appropriation shall be avail-
15 able for employment pursuant to the second sentence of sec-
16 tion 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225),
17 and not to exceed \$10,000 shall be available for employ-
18 ment under 5 U.S.C. 3109.

19 NATIONAL AGRICULTURAL LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses of the National Agricultural
22 Library, \$3,166,500: *Provided*, That this appropriation shall
23 be available for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (7 U.S.C.

1 2225), and not to exceed \$35,000 shall be available for
2 employment under 5 U.S.C. 3109.

3 OFFICE OF MANAGEMENT SERVICES

4 SALARIES AND EXPENSES

5 For necessary expenses to enable the Office of Manage-
6 ment Services to provide management support services to
7 selected agencies and offices of the Department of Agricul-
8 ture, \$2,821,000.

9 GENERAL ADMINISTRATION

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Secretary
12 of Agriculture and for general administration of the Depart-
13 ment of Agriculture, repairs and alterations, and other mis-
14 cellaneous supplies and expenses not otherwise provided for
15 and necessary for the practical and efficient work of the
16 Department of Agriculture, and not to exceed \$5,000 for
17 employment under 5 U.S.C. 3109, \$4,614,000: *Provided*,
18 That this appropriation shall be reimbursed from applicable
19 appropriations for travel expenses incident to the holding
20 of hearings as required by 5 U.S.C. 551-558: *Provided*
21 *further*, That not to exceed \$2,500 of this amount shall be
22 available for official reception and representation expenses,
23 not otherwise provided for, as determined by the Secretary.

1 **TITLE II—CREDIT AGENCIES**

2 **RURAL ELECTRIFICATION ADMINISTRATION**

3 To carry into effect the provisions of the Rural Electri-
4 fication Act of 1936, as amended (7 U.S.C. 901-924), as
5 follows:

6 **LOAN AUTHORIZATIONS**

7 For loans in accordance with said Act, and for carrying
8 out the provisions of section 7 thereof, to be borrowed from
9 the Secretary of the Treasury in accordance with the pro-
10 visions of section 3 (a) of said Act, and to remain available
11 without fiscal year limitation in accordance with section 3 (e)
12 of said Act, as follows: rural electrification program,
13 \$304,000,000, and rural telephone program, \$120,000,000.

14 **SALARIES AND EXPENSES**

15 For administrative expenses, including not to exceed
16 \$500 for financial and credit reports, funds for employment
17 pursuant to the second sentence of section 706 (a) of the
18 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
19 \$150,000 for employment under 5 U.S.C. 3109, \$12,805,-
20 000.

21 **FARMERS HOME ADMINISTRATION**

22 **DIRECT LOAN ACCOUNT**

23 Direct loans and advances under subtitles A and B, and
24 advances under section 335 (a) for which funds are not
25 otherwise available, of the Consolidated Farmers Home Ad-

1 ministration Act of 1961 (7 U.S.C. 1921), as amended,
2 may be made from funds available in the Farmers Home
3 Administration direct loan account as follows: real estate
4 loans, \$83,000,000; and operating loans, \$250,000,000.

5 RURAL HOUSING DIRECT LOAN ACCOUNT

6 For direct loans and related advances pursuant to section
7 518 (d) of the Housing Act of 1949 (42 U.S.C. 1488),
8 \$15,000,000 shall be available from funds in the rural hous-
9 ing direct loan account: *Provided*, That farmer applicants
10 for housing loans shall be required to offer only such col-
11 lateral security as is required of owners of nonfarm tracts.

12 RURAL WATER AND WASTE DISPOSAL GRANTS

13 For grants pursuant to sections 306 (a) (2) and 306
14 (a) (6) of the Consolidated Farmers Home Administration
15 Act of 1961, as amended (7 U.S.C. 1926), \$28,000,000.

16 RURAL RENEWAL

17 For necessary expenses, including administrative ex-
18 penses, in carrying out rural renewal activities under section
19 32 (e) of title III of the Bankhead-Jones Farm Tenant Act,
20 as amended (7 U.S.C. 1010, 1011 (e)), \$1,600,000, to
21 remain available until expended.

22 RURAL HOUSING FOR DOMESTIC FARM LABOR

23 For financial assistance to public nonprofit organizations
24 for housing for domestic farm labor, pursuant to section 516

1 of the Housing Act of 1949, as amended (42 U.S.C. 1486),
2 \$3,500,000, to remain available until expended.

3 SALARIES AND EXPENSES

4 For necessary expenses of the Farmers Home Adminis-
5 tration, not otherwise provided for, in administering the pro-
6 grams authorized by the Consolidated Farmers Home Admin-
7 istration Act of 1961 (7 U.S.C. 1921-1990), as amended,
8 title V of the Housing Act of 1949, as amended (42 U.S.C.
9 1471-1490), and the Rural Rehabilitation Corporation
10 Trust Liquidation Act, approved May 3, 1950 (40 U.S.C.
11 440-444), \$57,641,000, together with not more than
12 \$2,250,000 of the charges collected in connection with
13 the insurance of loans as authorized by section 309 (e) of
14 the Consolidated Farmers Home Administration Act of 1961,
15 as amended, and section 514 (b) (3) of the Housing Act of
16 1949, as amended: *Provided*, That, in addition, not to exceed
17 \$500,000 of the funds available for the various programs
18 administered by this agency may be transferred to this ap-
19 propriation for temporary field employment pursuant to the
20 second sentence of section 706 (a) of the Organic Act of 1944
21 (7 U.S.C. 2225) to meet unusual or heavy workload increases:
22 *Provided further*, That no part of any funds in this paragraph
23 may be used to administer a program which makes rural
24 housing grants pursuant to section 504 of the Housing Act
25 of 1949, as amended.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$10,487,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,850,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,188,112,500, of which \$350,467,000 is for liquidation of contract authorization:

1 *Provided*, That no funds appropriated by this Act shall be
2 used to formulate or administer programs for the sale of agri-
3 cultural commodities pursuant to title I of Public Law 480,
4 83d Congress, as amended, to any nation which sells or
5 furnishes or which permits ships or aircraft under its regis-
6 try to transport to North Vietnam any equipment, materials
7 or commodities, so long as North Vietnam is governed by
8 a Communist regime.

9 LIMITATION ON ADMINISTRATIVE EXPENSES

10 Nothing in this Act shall be so construed as to prevent
11 the Commodity Credit Corporation from carrying out any
12 activity or any program authorized by law: *Provided*, That
13 not to exceed \$31,500,000 shall be available for administra-
14 tive expenses of the Corporation: *Provided further*, That
15 \$945,000 of this authorization shall be available only to
16 expand and strengthen the sales program of the Corporation
17 pursuant to authority contained in the Corporation's charter:
18 *Provided further*, That not less than 7 per centum of this
19 authorization shall be placed in reserve to be apportioned
20 pursuant to section 3679 of the Revised Statutes, as amended,
21 for use only in such amounts and at such times as may be-
22 come necessary to carry out program operations: *Provided*
23 *further*, That all necessary expenses (including legal and
24 special services performed on a contract or fee basis, but not
25 including other personal services) in connection with the

1 acquisition, operation, maintenance, improvement, or disposi-
2 tion of any real or personal property belonging to the Cor-
3 poration or in which it has an interest, including expenses of
4 collections of pledged collateral, shall be considered as non-
5 administrative expenses for the purposes hereof.

6 PUBLIC LAW 480

7 For expenses during fiscal year 1969, not otherwise re-
8 coverable, and unrecovered prior years' costs, including in-
9 terest thereon, under the Agricultural Trade Development
10 and Assistance Act of 1954, as amended (7 U.S.C. 1701-
11 1710, 1721-1725, 1731-1736d), to remain available until
12 expended, as follows: (1) sale of agricultural commodities
13 for foreign currencies and for dollars on credit terms pursuant
14 to title I of said Act, \$100,000,000: *Provided*, That any
15 unexpended balances of appropriations heretofore available
16 under this heading for title I of said Act may be merged with
17 this appropriation; and (2) commodities disposed of and
18 other costs incurred in connection with donations abroad,
19 pursuant to title II of said Act, \$200,000,000.

20 TITLE IV—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$3,436,000 (from assessments collected
24 from farm credit agencies) shall be obligated during the
25 current fiscal year for administrative expenses.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addi-
5 tion to those specifically provided for, of not to exceed
6 six hundred and twenty-six (626) passenger motor vehicles,
7 of which four hundred and fifty-seven (457) shall be
8 for replacement only, and for the hire of such vehicles.

9 SEC. 502. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 503. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by law (5 U.S.C. 5901-5902).

15 SEC. 504. No part of the funds appropriated by this
16 Act shall be used for the payment of any officer or employee
17 of the Department who, as such officer or employee, or on
18 behalf of the Department or any division, commission, or
19 bureau thereof, issues, or causes to be issued, any prediction,
20 oral or written, or forecast, except as to damage threatened
21 or caused by insects and pests, with respect to future prices
22 of cotton or the trend of same.

23 SEC. 505. Except to provide materials required in or
24 incident to research or experimental work where no suitable
25 domestic product is available, no part of the funds appro-

1 priated by this Act shall be expended in the purchase of
2 twine manufactured from commodities or materials produced
3 outside of the United States.

4 SEC. 506. Not less than \$1,500,000 of the appropria-
5 tions of the Department for research and service work au-
6 thorized by the Acts of August 14, 1946, July 28, 1954, and
7 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C
8 1891-1893), shall be available for contracting in accordance
9 with said Acts.

10 SEC. 507. No part of any appropriation contained in
11 this Act shall remain available for obligation beyond the cur-
12 rent fiscal year unless expressly so provided herein.

13 SEC. 508. None of the funds in this Act shall be available
14 to finance interdepartmental boards, commissions, councils,
15 committees, or similar groups under sec. 214 of the Inde-
16 pendent Offices Appropriation Act, 1946 (31 U.S.C. 691)
17 which do not have prior and specific Congressional approval
18 of such method of financial support.

19 SEC. 509. Money appropriated in this Act shall be
20 available for expenditure in the fiscal year ending June 30,
21 1969 only to the extent that expenditure thereof shall not
22 result in the net aggregate expenditure of Federal funds by
23 all agencies provided for herein beyond \$6,524,470,897
24 except by those Commodity Credit Corporation expenditures

1 required by law which may exceed budget estimates therefor.

2 SEC. 510. No part of the funds appropriated under this

3 Act shall be used to pay salaries of any Federal employee

4 who is convicted in any Federal, State, or local court of com-

5 petent jurisdiction, of inciting, promoting, or carrying on a

6 riot, or any group activity resulting in material damage to

7 property or injury to persons, found to be in violation of

8 Federal, State, or local laws designed to protect persons or

9 property in the community concerned.

10 This Act may be cited as the "Department of Agricul-

11 ture and Related Agencies Appropriation Act, 1969".

Passed the House of Representatives May 1, 1968.

Attest:

W. PAT JENNINGS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

MAY 2, 1968

Read twice and referred to the Committee on Appropriations

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued May 27, 1968
For actions of May 24, 1968
90th-2nd; No. 90

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HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Senate debated housing bill. Senate committee voted to report bill to establish nationwide system of trails. Sen. Mondale criticized Senate committee's "cutting" school lunch program funds.

SENATE

1. APPROPRIATIONS. The Senate Appropriations Committee reported with amendments H. R. 16913, the agricultural appropriation bill (S. Rept. 1138)(p. S6342). As reported by the Committee, the bill would provide a total of \$5,536,050,300, an increase of \$12,414,800 over the House-passed figure. Attached to this Digest is a copy of the committee report showing the committee actions.

2. BUDGET. Received from the President "proposed amendments to the budget for the fiscal year 1969, in the amount of \$1.2 million for the legislative branch, \$11.1 million to carry out the fair housing provision of the 1968 Civil Rights Act, \$775 thousand for a new Commission on Mortgage Credit and Interest Rates, and \$350 thousand to permit the Council of Economic Advisers to finance the activities of the Cabinet Committee on Price Stability" (S. Doc. 80); to Appropriations Committee. p. S6341
3. RESEARCH. Passed as reported H. R. 5404, to amend the National Science Foundation Act of 1950 to make changes and improvements in the organization and operation of the Foundation. Sen. Mansfield inserted an excerpt from the committee report which stated the purpose of the bill "is to facilitate the mission of the National Science Foundation by making much-needed reforms in the organization and the operation of both the Foundation and its governing body, the National Science Board. pp. S6332-8
4. RECREATION; WATER; ROADS; ECONOMIC DEVELOPMENT. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 444, to establish the Flaming Gorge National Recreation area (amended); S. 3058, to increase authorizations for water resources planning activities (amended); S. 224, to provide for the rehabilitation of the Eklutna Dam project, Alaska (amended); S. 3073, to authorize funds to promote economic development in the Trust Territory of the Pacific Islands (amended); and S. 827, to establish a nationwide system of trails (amended). p. D479
5. WATER QUALITY. Sen. Hansen inserted the statement by Gov. Love, Colo., and the resolution on water quality standards as adopted by the western Governor's conference which calls upon Federal authorities to rescind or amend certain proposed Federal requirements regarding State pollution abatement programs. pp. S6338-41
6. PERSONNEL. Received from GAO a report of the opportunity to reduce the Federal Government's cost of medical benefits furnished Foreign Service employees overseas. p. S6341
7. LOANS. Sen. Burdick was added as a cosponsor of S. 1971, to amend the Consolidated Farmers Home Administration Act of 1961 to authorize loans to certain cooperatives serving farmers and rural residents. p. S6343
8. HOUSING. Began debate on S. 3497, the proposed Housing and Urban Development Act of 1968. pp. S6357, S6386-403, S6407-17
Sen. Fulbright inserted the text of his bill introduced in the 89th Congress and related items which correspond to the purposes of title XIV of S. 3497, the proposed Housing and Urban Development Act of 1968, which requires the President to submit to Congress annual reports on the progress in achieving our national goal of "a decent home and a suitable living environment for every American family." pp. S6403-4
9. HEALTH; SAFETY. Sen. Metcalf inserted an article from the Catholic Standard refuting the opposition of the U. S. Chamber of Commerce to the proposed Occupational Safety and Health Act of 1968. pp. S6360-1

DEPARTMENT OF AGRICULTURE AND RELATED AGEN-
CIES APPROPRIATION BILL, 1969

MAY 24, 1968.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations
submitted the following

REPORT

[To accompany H.R. 16913]

The Committee on Appropriations, to which was referred the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made:

Amount of bill as passed House—Total new (obligational) authority-----	¹ \$5, 523, 635, 500
Amount of increase by Senate committee—New (obligational) authority-----	12, 414, 800
Amount of bill as reported to Senate—New (obligational) authority ² -----	¹ 5, 536, 050, 300
Amount of 1968 appropriation act—Budget (obligational) authority to date ² -----	7, 151, 605, 700
Amount of estimates, 1969—New (obligational) authority-----	6, 923, 979, 800
The bill as reported to the Senate:	
Under the appropriation act for 1968-----	1, 615, 555, 400
Under the estimates for 1969—New (obligational) authority-----	—1, 387, 929, 500

¹ Includes contract authorization of \$220,000,000 and authorization to spend from debt receipts totaling \$424,000,000, but excludes sums to liquidate contract authority; amended by Senate to include \$195,500,000 for contract authorization, and \$449,000,000 authorization to spend from debt receipts.

² Does not reflect reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

GENERAL SUMMARY STATEMENT

The Senate bill, as recommended by the committee, contains \$5,536,050,300 of new obligational authority, representing a net increase by the committee over the House bill of \$12,414,800 and a reduction under the estimates totaling \$6,923,979,800, of \$1,387,929,500. The comparative amounts of new budget obligational authority for the 1968 Appropriation Act, the estimates for 1969 and the House bill for 1969 compared with the committee recommendations are shown in the following table by titles of the bill.

U.S. DEPARTMENT OF AGRICULTURE

NEW BUDGET (OBLIGATIONAL) AUTHORITY—FISCAL YEARS 1968 AND 1969 BUDGET ESTIMATE, HOUSE BILL AND SENATE COMMITTEE BILL

Item	1968, Appropriation Act	1969, budget estimates	1969, House bill	1969, Senate committee
Title I general activities.....	\$1,822,449,700	\$1,740,878,800	\$1,847,957,000	\$1,831,680,800
Title II, credit agencies.....	1,301,413,000	954,919,000	527,546,000	554,724,000
Title III, corporations.....	4,027,568,000	4,228,182,000	3,148,132,500	3,149,645,000
Title IV, related agencies ¹	175,000			
Total.....	7,151,605,700	6,923,979,800	5,523,635,500	5,536,050,300

¹ National Advisory Commission on Food and Fiber.

As the agricultural appropriation bill passed the House it carried a provision, section 509, which limited expenditures in fiscal year 1969 to the extent that such expenditures shall not result in a net aggregate of Federal funds beyond \$6,524,470,897 except for those expenditures made by the Commodity Credit Corporation required by law. All other expenditures carried in the bill would thereby be limited to not in excess of the budget estimates therefor. The total amount referred to in section 509, according to the legislative record, is based upon the tabulation and text of the House Committee Report No. 1335 beginning on page 5 thereof.

The committee recommends that section 509 be stricken from the bill as it passed by the House of Representatives.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service is the principal research agency within the Department of Agriculture and is responsible within the Department for the conduct of a number of research programs which include (a) farm research, (b) utilization research and development, (c) marketing research, (d) nutrition and consumer use research, and (e) oversea research conducted under the special foreign currency program, which is financed under a separate appropriation item.

RESEARCH

1968 Appropriation Act—New (obligational) authority to date ¹ ...	\$136, 775, 500
Transfer from sec. 32.....	(15, 000, 000)
Total available, 1968.....	151, 775, 500
1969 budget estimate—New (obligational) authority.....	136, 273, 100
Transfer from sec. 32.....	(15, 000, 000)
Total 1969 estimate.....	(151, 273, 100)
House bill, 1969—New (obligational) authority.....	125, 972, 500
Transfer from sec. 32.....	(15, 000, 000)
Total available, House bill, 1969.....	(140, 972, 500)
House bill reduction under estimate.....	10, 300, 600
Committee recommendation—New (obligational) authority.....	131, 950, 600
Transfer from sec. 32.....	(15, 000, 000)
Total available.....	146, 950, 600

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

RESEARCH

The committee recommends an appropriation of \$131,950,600 plus a transfer from section 32 of \$15,000,000 for a total available in 1969 of \$146,950,600. The total amount recommended is \$4,824,900 under the 1968 appropriation, \$4,322,500 under the 1969 budget estimate and a net increase of \$5,978,100 over the House bill. Increases and decreases approved by the committee are shown in the following table:

INCREASES AND DECREASES APPROVED COMPARED WITH BUDGET ESTIMATES

Items	Estimate, 1969	House bill, 1969	Senate committee, 1969	Difference + or - House bill
	(1)	(2)	(3)	(4)
(1) Base amount 1968, adjusted.....	¹ \$146, 769, 100	¹ \$146, 769, 100	¹ \$146, 769, 100	
(2) To annualize pay costs.....	+1, 360, 000	+1, 360, 000	+1, 360, 000	
(3) Activities discontinued in 1968.....	-1, 265, 500	-1, 265, 500	-1, 265, 500	
(4) Nonrecurring construction and planning for construction.....	-3, 350, 000	-4, 350, 000	-4, 350, 000	
(5) Lapses from 1968 reductions.....	-2, 668, 000	-2, 668, 000	-2, 668, 000	
(6) Restore research projects deferred in 1968, and for staffing laboratories.....	+3, 509, 100	+1, 126, 900	+3, 509, 100	+\$2, 382, 200

INCREASES AND DECREASES APPROVED COMPARED WITH BUDGET ESTIMATES—Continued

Items	Estimate, 1969 (1)	House bill, 1969 (2)	Senate committee, 1969 (3)	Difference + or - House bill (4)
(7) Additional staffing, 1969 estimate.....	+1, 837, 400		+1, 837, 400	+1, 837, 400
(8) Less increment pay annualization, subline (7).....			-241, 500	-241, 500
(9) Estimated restoration of research contracts and grants deferred in 1968.....	+3, 368, 800		+1, 500, 000	+1, 500, 000
(10) Contingency research fund.....	+500, 000		+500, 000	+500, 000
(11) Additional farm, utilization, nutrition, and marketing research and estimate (table 3).....	+1, 212, 200			
(12) Totals available.....	1 151, 273, 100	1 140, 972, 500	1 146, 950, 600	+5, 978, 100

¹ All figures include \$15,000,000 transfer from sec. 32.

The committee has concurred in the House action in denying the budget estimate for planning funds for new research facilities or enlargement of existing facilities. Further, it directs the Department to carefully review the scale and scope of research facilities for which planning funds have previously been appropriated in order to make certain that such facilities will be constructed within the cost estimated when the planning funds were appropriated.

In addition to the facilities in the budget estimate, which have been denied, the committee has received a number of recommendations for planning funds for additional research facilities. Several of these proposed facilities have been on priority lists, such as soil and water research, and in other instances the committee has received feasibility reports setting forth research program needs and facility requirements.

The committee, by its action in restoring a part of the 1968 reductions, pursuant to Public Law 90-218, has demonstrated its continuing interest in the importance and need for agricultural research, especially in the staffing and equipping of recently constructed laboratories, and the most essential contract and grant research deferred in 1968, and reinstatement of \$1 million for the contingency research fund.

The committee expects the Department to initiate requests for the funding of facilities upon which feasibility reports have been received as soon as the general fiscal situation improves.

It is expected that the agency will continue marketing research on wholesaling and retailing next year and that it will enlist industry matching to support this research program for continuation of its operation after the fiscal 1969.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1968 new budget (obligational) authority to date ¹	\$85, 802, 000
1968 reduction (Public Law 90-218).....	
1969 budget estimates—New (obligational) authority.....	88, 647, 500
House bill—New (obligational) authority.....	85, 298, 500
Committee recommendation—New (obligational) authority.....	88, 239, 500

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968

The appropriations recommended under this heading are used by the Department to conduct a wide range of regulatory plant and animal disease and pest control programs. Most of the funds appropriated are for the purpose of eradicating plant pest insects and animal diseases which have been introduced to the United States, or to supervise the import and export of plants and animals and to carry out a plant and animal quarantine service at ports of entry. Funds are also provided to administer various regulatory acts, such as pesticide regulations, the Virus-Serum-Toxin Act, eradication of hog cholera and a new act entitled the "Laboratory Animal Welfare Act of 1966" (Public Law 89-544).

The committee recommends an appropriation of \$88,239,500 for the coming fiscal year, an increase of \$2,437,500 over the 1968 Appropriation Act, \$408,000 under the estimate for 1969, and \$2,941,000 over the House bill. The House bill provided a net reduction under the 1968 appropriation of \$503,500 of which \$403,000 was a decrease in the hog cholera program. In general, the House bill maintained the operations at the 1968 level. In spite of the need for economy, some of the activities financed under this heading require additional funding to keep current with objectives and needs. The following changes from the House bill are included:

For plant quarantine inspection at ports of entry, an increase of \$300,000 of \$328,000 requested in the budget estimate is recommended, making a total available of \$11,955,100.

For administration of the veterinary biologics program under the Virus-Serum-Toxin Act, an increase of \$200,000 of \$303,000 requested in the budget for this item is recommended, making a total available of \$2,673,400.

For mandatory registration and enforcement activities under the Federal Insecticide, Fungicide, and Rodenticide Act, an increase of \$100,000 of the \$255,000 program increase requested is recommended, thereby making \$3,782,500 available for this activity.

For the cooperative fire ant eradication program, an additional \$2,041,000 is recommended. This increased amount, together with the \$3,959,000 included in the House bill will provide \$6 million for 1969 compared with \$6,438,800 appropriated last year. The committee expects the Department to use the increased funds and other funds provided to carry out matching eradication treatments on the fireant to the extent matching funds are available from the States and local sources.

During the hearings and based upon subsequent information furnished to the Committee, the inadequacy of the administration of the Laboratory Animal Welfare Act was clearly indicated. Last year in the conference agreement a minimum of \$1,200,000 of financing was agreed to with the understanding that amounts above \$300,000 specifically set aside for this activity would be derived from other projects and activities financed under this appropriation head.

Testimony presented to the committee by organizations interested in the protection of research animals showed the deplorable conditions which continue to prevail. The hearing record shows that the Department released an additional \$100,000 to step up the funding of this activity during the last quarter of the current fiscal year. This level, if maintained, would provide \$600,000 annually. In view of the urgency of this situation, the committee has included an additional appropria-

tion of \$300,000 in the base for this activity for the coming fiscal year, thereby making a total of \$608,700 available with the expectation that other sources will be utilized to reach a minimum of \$1,200,000 annually as agreed to a year ago. The committee asked the Director of Budget and Finance to apprise it of the situation as to financing for this activity and there follows a letter, dated May 17, 1968, from Mr. Charles L. Grant, Budget Officer for the Department of Agriculture:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF BUDGET AND FINANCE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 17, 1968.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Department of Agriculture and Related Agencies, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: This responds to the request of you and Senator Hruska on the amount which would be necessary to administer the Laboratory Animal Welfare Act in fiscal year 1969 at the same rate it is being carried out at the present time.

The budget for 1969 and the bill passed by the House provides \$308,700.

In March 1969 ARS assigned personnel from other programs to work on the enforcement activities under the act during the period March through June in an amount equivalent to \$100,000.

This amounts to assignment of personnel at an annual rate of \$300,000. Thus, to provide an appropriation in 1969 equivalent to the present rate would require an appropriation of \$608,700. This consists of the \$308,700 in the bill as passed by the House together with \$300,000 for personnel assigned from other activities.

This work involves registration of dealers and handlers, inspection of dealers and research facilities, investigating apparent violations and developing cases for prosecution and similar activities. It does not include research on methods to improve care and handling of laboratory animals.

Please let me know if you need any additional information.

Sincerely yours,

CHARLES L. GRANT, *Budget Officer.*

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1968 new budget (obligational) authority to date ¹	\$8, 500, 000
1969 budget estimates of new (obligational) authority.....	12, 700, 000
House bill—new (obligational) authority.....	4, 500, 000
Committee recommendation—new (obligational) authority.....	4, 500, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Overseas research utilizing foreign currencies under section 104(b)(1) and (3) of Public Law 480, as amended, supplements and complements research conducted in the U.S. and financed by regular dollar appropriations. These foreign research projects do not duplicate or displace domestic research conducted by the Department or its cooperators. Since these projects are of mutual interest to the United States and the host countries, in addition to developing scientific information of great importance to American agriculture, the research under this program is making a contribution to the solution of agricultural problems of the lesser developed countries in which it is carried out.

The appropriation recommended for next fiscal year is \$4,500,000, a reduction of \$8,200,000 under the estimate, same as the House amount and \$4,000,000 under the 1968 appropriation act.

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

1968 new budget (obligational) authority to date ¹ -----	\$63, 113, 000
1969 budget estimates—New (obligational) authority-----	62, 179, 000
House bill—New (obligational) authority-----	58, 958, 000
Committee recommendation—New (obligational) authority-----	61, 125, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462, dated July 19, 1961, and supplement 1, dated August 31, 1961, under Reorganization Plan No. 2 of 1953. The primary function of the Service is to administer acts of Congress that authorize Federal appropriations for agricultural research carried on by the State agricultural experiment stations of the 50 States and Puerto Rico, by approved schools of forestry and nonprofit institutions.

Acts under which payments to States may be made include:

1. Agricultural Experiment Stations Act of August 11, 1955 (Hatch Act of 1887, as amended, 7 U.S.C. 361a-361i).

2. Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623).

3. Cooperative Forestry Research Act of October 10, 1962 (16 U.S.C. 582-582a-7).

4. Act of September 6, 1958 (42 U.S.C. 1891-1893) and the act of August 4, 1965 (7 U.S.C. 450b), authorizing grants for support of scientific research.

5. Research Facilities Act of July 22, 1963 (7 U.S.C. 390-390k).

Administration of payments and grants involves the review and approval in advance of each individual research proposal submitted by a State agricultural experiment station or other institution to be financed in whole or in part from Federal grant funds, the disbursement of the funds, and the continuous review and evaluation of research programs and expenditures thereunder. The Service also encourages and assists in the establishment and maintenance of cooperation within and between the States, and participates in the planning and coordination of research programs between the States and the U.S. Department of Agriculture.

The program coordination and planning is carried out by a Cooperative State Research Service staff located entirely in Washington, D.C.

The committee recommends a total appropriation of \$61,125,000 to finance the various programs administered by the Cooperative State Research Service, including the cost of administration. The total amount recommended is a decrease of \$1,988,000 under the amount appropriated for fiscal year 1968, \$2,167,000 over the amount recommended in the House bill, and \$1,054,000 under the fiscal year 1969 budget request.

The specific amounts recommended are as follows:

For payments to the State experiment stations under the Hatch Act, as amended, the Senate bill includes \$54,965,000, the same amount

appropriated for fiscal year 1968, and the fiscal year 1969 budget request. This amount is \$3,852,000 over the amount recommended in the House bill for this item.

For grants to States for cooperative forestry research, the committee recommends \$3,485,000, the fiscal year 1968 appropriated amount, and the fiscal year 1969 budget request. This is \$115,000 over the amount in the House bill.

An appropriation of \$2 million is included in the Senate bill for contracts and grants for research. This is the same amount as for fiscal year 1968, the amount of the budget estimate, and \$200,000 over the House bill.

The committee has not recommended an appropriation for grants to the States for facilities. The 1969 budget requested \$1 million and the House bill included \$2 million for this purpose. The committee is of the opinion that until such time as the program is increased to a level where the States' allocation will be sufficient to accomplish meaningful results, the program should be eliminated.

For Federal administration, the Senate committee recommends \$365,000. This is an increase of \$12,000 over the amount appropriated for fiscal year 1968, \$54,000 under the budget request, and the same amount provided in the House bill.

The committee concurs with the House report statement that funds provided for the research and extension program of the land-grant universities should be used to maintain the Federal share of salaries on a basis comparable to those of other Federal employees for payments under the Hatch Act amount formula and directs that the amounts increased be used for this purpose in the States where necessary.

EXTENSION SERVICE
COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Estimates and recommendations	(1) Payments to States and Puerto Rico	(2) Retirement and employees' compensation fund costs to extension agents	(3) Penalty mail	(4) Federal extension service	(5) Total
(1)					
Appropriation, 1968.....	\$81,917,500	\$8,818,500	\$3,113,000	\$2,753,000	\$96,602,000
(2)					
Reduction under Public Law 90-218.....	-3,385,000			-2,020	-3,387,020
(3)					
Budget estimate, 1969.....	81,917,500	9,333,500	3,500,000	2,878,000	97,629,000
(4)					
House bill, 1969.....	78,532,500	8,818,500	3,299,000	2,838,000	93,488,000
(5)					
Senate committee recommendations.....	81,917,500	9,333,500	3,299,000	2,838,000	97,388,000

The cooperative agricultural extension program was established by the Smith-Lever Act of May 8, 1914, as amended. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

The basic job of the Cooperative Extension Service is to help people identify and solve their farm, home, and community problems

through use of research findings of the Department of Agriculture and the State land-grant colleges, and programs administered by the Department of Agriculture.

State and county extension work is financed from State, county, and Federal sources. The funds provided are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct the joint educational programs adapted to local problems and conditions. The county extension service serves as the focal point within the counties in leadership and coordination of the educational aspects of all Federal programs.

The total amount recommended for cooperative extension work, for payments and expenses is \$97,388,000, a net increase of \$786,000 over the appropriations for fiscal 1968, a decrease of \$241,000 under the budget estimate and a net increase of \$3,900,000 over the House. The committee has restored the appropriation level for fiscal 1968 for the items as indicated in the foregoing table and described in detail below.

An appropriation of \$81,917,500 is recommended by the committee for payments and expenses for cooperative extension work. The amount recommended for payments to States under sections 3(b) and 3(c) of the Smith-Lever Act is \$81,917,500, which is \$3,385,000 over the House bill, and the same as the budget estimate and the 1968 Appropriation Act.

The committee expects the use of these additional funds to be directed to the adjustment of salaries for county extension workers, where necessary, to provide increases for these workers comparable to those received by Federal employees pursuant to Public Law 90-206.

The committee has recommended an appropriation of \$9,333,500 for mandatory retirement costs for extension agents. This is the budget estimate and \$515,000 over the House bill and the 1968 Appropriation Act.

The committee recommends an appropriation of \$3,299,000 for penalty mail cost. This is the same amount as recommended in the House bill, \$201,000 under the budget estimate, and \$186,000 over the 1968 Appropriation Act.

An appropriation of \$2,838,000 is recommended for expenses of the Federal Extension Service which provides leadership and coordination service and administers the Federal law authorized in extension work. This is \$40,000 under the budget estimate, \$85,000 over the 1968 Appropriation Act, and the same as the House recommendation.

FARMER COOPERATIVE SERVICE

1968 new budget (obligational) authority to date ¹ -----	\$1, 304, 000
1968 reduction (P.L. 90-218)-----	
1969 budget estimates—New (obligational) authority-----	1, 848, 000
House bill—New (obligational) authority-----	1, 341, 000
Committee recommendation—New (obligational) authority-----	1, 341, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Farmer Cooperative Service was established after approval of the Farm Credit Act of 1953 which authorized the transfer of functions of the agency to the Department of Agriculture.

This agency is assigned the functions of programs authorized by the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457) pertaining to cooperative marketing. It is also assigned the responsibility for research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946.

The Farmer Cooperative Service conducts research; advises directly with cooperative leaders and others; promotes cooperative organization and development through other Federal and State agencies; and publishes results of its research, issues news for Farmer Cooperatives and provides other educational material.

The Farmer Cooperative Service program is directed toward helping (1) farmers get better prices for their products and reduce operating expenses, (2) rural and smalltown residents to use cooperatives to develop rural resources, (3) rural cooperatives to expend their services and operate more efficiently, and (4) all people of the Nation to understand the work of these cooperatives.

An appropriation of \$1,341,000 is proposed, the same as the House bill which is \$507,000 under the estimates and includes an increase over 1968 of \$37,000 for pay costs.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935. This agency administers programs of technical assistance to soil conservation districts and other cooperators, to watershed groups and to Federal and State agencies having responsibility in providing physical adjustments in water and land use for the purpose of conserving soil and water resources. It also provides technical services for general agricultural improvements and for reducing damage resulting from flood and sedimentation.

CONSERVATION OPERATIONS

1968 new budget (obligational) authority to date ¹ -----	\$113, 500, 000
1969 budget estimates—New (obligational) authority-----	116, 313, 000
House bill—New (obligational) authority-----	114, 893, 000
Committee recommendation—New (obligational) authority-----	114, 893, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Under the appropriation "Conservation operations" the Soil Conservation Service provides technical assistance to farmers and ranchers. It also furnishes technical assistance to cooperators in soil and water conservation districts and to other landowners in developing plans and applying conservation treatments. It makes soil surveys to determine land capabilities and conservation treatment needs and publishes soil survey reports and maps. In the Western States it conducts snow surveys to develop streamflow forecasts as an aid to efficient seasonal use of water for irrigation and other purposes. The operation of plant material centers to test promising new species of plant materials is also financed under this appropriation heading.

An appropriation of \$114,893,000, the amount of the House bill and \$1,420,000 under the estimate, is recommended for fiscal 1969. The increase of \$1,393,000 over the 1968 appropriation is for pay costs incurred in 1968.

WATERSHED PLANNING

1968 new budget (obligational) authority to date ¹ -----	\$6, 000, 000
1969 budget estimates—New (obligational) authority-----	6, 224, 000
House bill—New (obligational) authority-----	6, 165, 000
Committee recommendation—New (obligational) authority-----	6, 165, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Funds appropriated under this heading are used to conduct investigations and surveys of proposed watershed projects in response to requests made by sponsoring local organizations and to assist in the development of watershed work plans.

An appropriation of \$6,165,000 is recommended for fiscal 1969. This is an increase over the 1968 appropriation of \$165,000 for pay costs approved in 1968 and is \$59,000 under the budget estimate. The amount approved will enable the agency to complete approximately 95 new watershed plans during fiscal 1969.

WATERSHED PROTECTION

The committee recommended in its report last year that appropriation for the items, "river basin surveys and development" and "installation of works of improvement and related loan expenses" be shown as separate appropriation items in order to avoid confusion as to amounts actually available in the item for "works of improvement on approved watershed projects." It is proposed, therefore, to amend the bill this year to include a separate appropriation heading for each of these two items.

RIVER BASIN SURVEYS AND INVESTIGATIONS

1968 new budget (obligational) authority to date-----	\$8, 503, 000
1969 budget estimates—New (obligational) authority-----	8, 780, 000
House bill—New (obligational) authority-----	8, 780, 000
Committee recommendation-----	8, 780, 000

Funds under this new appropriation heading are authorized by section 6 of Public Law 566, 83d Congress, which authorizes the Secretary of Agriculture to cooperate with other Federal, State, and local agencies in making surveys and investigations of the watersheds of rivers and other waterways as a basis for the development of coordinated water and related land resource programs.

For river basin surveys and investigations, the committee recommends \$8,780,000. This is the budget estimate, the House amount, and \$277,000 over the amount provided in the 1968 appropriation for pay costs incurred in 1968.

WORKS OF IMPROVEMENT

1968 new budget (obligational) authority to date ¹ -----	\$61, 900, 000
1969 budget estimates—New (obligational) authority-----	33, 368, 000
House bill—New (obligational) authority-----	56, 220, 000
Committee recommendation-----	² 57, 907, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

² In addition carry over balance estimated at \$5,691,000 will be available in fiscal year 1969.

Under this appropriation is financed the administration of the watershed protection program including the installation of planned works of improvement in approved watershed projects to reduce erosion, flood-water, and sediment damage, and to further the development of conservation measures to utilize and dispose of water, including recreational facilities.

A loan limitation is also provided within the item but the loan funds are derived from the direct loan account, Farmers Home Administration.

For "installation of works of improvement and the related loan expenses" an appropriation of \$57,907,000 is recommended. This amount is \$1,687,000 over the House bill, \$24,539,000 over the 1969 budget request and \$3,993,000 under the 1968 Appropriation Act.

The committee recommendation of \$57,907,000 plus a carryover of \$5,691,000 will provide a total obligational level of \$63,598,000 for 1969. This matches the level provided by the Congress in the fiscal year 1968 Appropriation Act, but does not meet fully the funding requirements to complete construction in approved watersheds on the basis of project construction plans.

Continuation of works of improvement at the fiscal year 1968 level represents a further attempt to correct the imbalance between planning and construction which has already resulted in delay and subsequent additional costs in the final construction of the projects.

In spite of stringent economy measures which are necessarily being enacted, it is believed that the completion of watershed projects is essential to the development and maintenance of our national soil and water resources. An estimated 80 construction starts were estimated in the 1969 budget estimate, and the level of financing recommended will enable the agency to allocate funds to new starts on a more adequate basis.

Further, approximately one-third of the cost of small watershed projects is financed from State and local sources which is unusual in public-works-type improvements.

FLOOD PREVENTION

1968 new budget (obligational) authority to date ¹ -----	\$25,753,000
1969 budget estimates—New (obligational) authority-----	12,395,000
House bill—New (obligational) authority-----	20,000,000
Committee recommendation—New (obligational) authority----	17,500,000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The service has general responsibility for administration of the flood prevention program including the development of guiding principles and procedures. The activities conducted in the 11 authorized watersheds include: (a) planning and installing works of improvement for flood prevention and for the conservation, development, utilization, and disposal of water, including the development of recreational facilities and improvement of fish and wildlife habitat; and (b) the making of loans to local organizations to help finance the local share of the cost of carrying out planned watershed works of improvement.

An appropriation of \$17,500,000 is recommended for flood prevention, for construction and other activities in 11 authorized watersheds. This is \$2,500,000 under the House bill and an increase of \$5,105,000 over the estimate and a decrease of \$8,253,000 under the 1968 Approp-

priation Act. It is estimated that \$6 million of unobligated funds will be carried forward from fiscal 1968, thereby providing for a program level of \$23,500,000 for the next fiscal year.

GREAT PLAINS CONSERVATION PROGRAM

1968 new budget (obligational) authority to date ¹ -----	\$16, 336, 000
1969 budget estimates—new (obligational) authority-----	13, 414, 000
House bill—new (obligational) authority-----	16, 000, 000
Committee recommendation—new (obligational) authority-----	16, 000, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Under this heading is financed the cost-sharing conservation program authorized by Public Law 1021, 84th Congress, under which farmers and ranchers in designated counties of the Great Plains States enter into long-term contracts to make needed land use adjustments and to install essential soil and water conservation measures specified in the basic conservation plans developed by technicians of the Soil Conservation Service.

The committee recommends an appropriation of \$16 million for fiscal 1969. This is a decrease of \$336,000 under the appropriation for 1968 and an increase of \$2,586,000 over the budget estimate. The amount provided is the same as carried in the House bill and will enable the agency to meet some of the additional conservation work needs in the Great Plains conservation program. The number of unserved applications continues to increase and without the additional funds provided herein, a still greater backlog would result under the budget estimate which proposed to reduce this program by \$2,922,000.

RESOURCE CONSERVATION AND DEVELOPMENT

1968 new budget (obligational) authority to date ¹ -----	\$6, 129, 000
1969 budget estimates—new (obligational) authority-----	6, 474, 000
House bill—new (obligational) authority-----	6, 256, 000
Committee recommendation—new (obligational) authority-----	6, 474, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Under this appropriation is financed the resource conservation and development technical program authorized under section 102, title I, of the Food and Agriculture Act of 1962. Funds appropriated are used to conduct investigations and to make surveys in designated areas with local sponsors for the purpose of developing an overall program and plan of land conservation and utilization and resource development. Funds are also used to make loans for resource development and improvements on private lands in approved projects.

An appropriation of \$6,474,000 is recommended for the expenses of this program during fiscal 1969. This represents an increase of \$218,000 over the House bill and \$345,000 over the appropriation for 1968. The increased amounts over 1968 include \$135,000 for pay act costs which were included in the House bill, together with an increase of \$218,000 for 10 additional pilot projects proposed in the budget but denied in the House-passed bill.

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

1968 new budget (obligational) authority to date ¹	\$12, 421, 000
1969 budget estimates—New (obligational) authority.....	13, 964, 000
House bill—New (obligational) authority.....	12, 789, 000
Committee recommendation—New (obligational) authority.....	13, 089, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Economic Research Service was established by Secretary's Memorandum No. 1446, supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The principal types of research activity conducted by the agency deal with economic problems of domestic agricultural production, economic and cost analyses relating to specific agricultural commodities; and economic analyses and study of supply, demand and trade in farm products produced in foreign countries and their impact on prospects for U.S. exports.

An appropriation of \$13,089,000 is recommended for the coming fiscal year, an increase over the House bill of \$300,000 and over the 1968 appropriation act of \$668,000, and \$875,000 under the budget estimate.

The increased amounts are \$368,000 for pay costs pursuant to Public Law 90-206, and \$300,000 of \$603,000 increase requested and denied by the House for developing better and more reliable data on rural areas. The amount recommended will enable the agency to develop better source data dealing with population, employment, income, levels of living, services and facilities, industrial income and related data on 50 rural subregions.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

1968 new budget (obligational) authority to date ¹	\$13, 830, 500
1969 budget estimates—New (obligational) authority.....	14, 674, 000
House bill—New (obligational) authority.....	14, 184, 500
Committee recommendation—New (obligational) authority.....	14, 467, 500

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The committee recommends an appropriation of \$14,467,500 for fiscal 1969, an increase of \$283,000 over the House bill and \$206,500 under the estimate. The increase over the 1968 appropriation includes an increase of \$180,000 as requested in the estimate for postage costs pursuant to Public Law 90-206. This represents an increase of \$149,000 over the House bill, thereby providing a total of \$1,216,000 for postage costs. The House approved amount of \$385,000 for pay costs incurred in 1968 and recommended a decrease of \$134,000 under the estimate. The committee has restored the budget estimate of \$519,000 for pay costs in 1968 and 1969, making \$519,000 available for this purpose.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service was established February 8, 1965, pursuant to Reorganization Plan No. 2 of 1953, under terms of the Reorganization Act of 1949, as amended (58 Stat. 742). The Service provides consumer protection through mandatory meat and poultry inspection for wholesomeness and aids in improving the diet of consumers through the school lunch, special milk, and food stamp programs and through direct distribution of commodities acquired under section 32 and CCC. Through its marketing and regulatory programs it aids in advancing orderly and efficient marketing and effective distribution of products from the Nation's farms.

CONSUMER PROTECTIVE, MARKETING AND REGULATORY PROGRAMS

1968 new budget (obligational) authority to date ¹ -----	\$89, 310, 000
1969 budget estimates—New (obligational) authority-----	119, 846, 000
House bill—New (obligational) authority-----	118, 989, 500
Committee recommendation—New (obligational) authority-----	² 116, 314, 500

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

² Of this amount \$13,440,250 placed in reserve by House pending reorganization of inspection activities.

Under this appropriation heading, funds are appropriated to administer programs authorized to provide service and regulatory function concerned with the orderly marketing of agricultural commodities, including:

(a) Market news service to provide timely and reliable market reports on all major agricultural commodities to help farmers determine when, where, and at what price to sell their products;

(b) Meat inspection to assure that all meat and meat products produced in plants shipping in interstate and foreign commerce are wholesome, and that foreign establishments producing meat products for export to the United States meet Federal standards for sanitation and wholesomeness of product, and to provide technical and financial assistance to States for improving their meat inspection programs;

(c) Poultry inspection to assure that all poultry meat and poultry meat products moving in interstate and foreign commerce are wholesome;

(d) Other inspection, grading, classing, and standardization services to develop standards of quality and condition for agricultural commodities and to use them in providing an impartial inspection, classing, and grading service; and

(e) Regulatory activities covering administration of laws aimed at protecting farmers and others from financial loss resulting from

deceptive, careless, and fraudulent marketing practices, and providing assistance in obtaining and maintaining equitable transportation rates and services on farm supplies and products.

An appropriation of \$116,314,500 is recommended for fiscal year 1969 for carrying out the several enumerated programs financed from this appropriation. The recommended amount is a net increase of \$27,004,500 over the 1968 Appropriation Act, a reduction of \$3,531,500 below the budget estimate and \$2,675,000 under the House bill. The increases over 1968 include \$100,000 to restore funds for six market news offices scheduled to be closed at the end of fiscal 1968 and \$50,000 additional to expand a cooperatively financed market news service on floriculture. The floral industry has pledged to match this appropriation of \$50,000 and the affected States have pledged \$35,000 additional. The enlarged market news service will cover flower and related crops in Florida, Denver, Chicago, and the Boston areas.

The committee concurs in the inclusion by the House of an increase over 1968 of \$2,833,000 for pay act costs for the several activities conducted under this appropriation.

The committee recommendations include \$24,806,000 for mandatory poultry inspection, a net increase of \$3,492,000 for program activity plus annualized pay costs of \$174,000, thereby making a total increase of \$3,666,000 over the 1968 appropriation of \$21,140,000.

The House approved bill had included the full budget estimate of \$70,926,500 for the regular meat inspection program and the new activities to be carried out under the Wholesome Meat Act of 1967. The budget estimate contemplates agreements with 38 States on the new Federal-State program. Based upon information available to the committee, it does not appear likely that this goal will be reached and, therefore, the committee has recommended a reduction of \$2,825,000 under the House bill for the new meat inspection program. The total amount available as a result of the Senate committee action for the entire meat inspection program will be \$68,101,500 for a net increase over the 1968 appropriation of \$20,779,000.

PAYMENTS TO STATES AND POSSESSIONS

1968 new budget (obligational) authority to date-----	\$1, 750, 000
1969 budget estimates—New (obligational) authority-----	1, 750, 000
House bill—New (obligational) authority-----	1, 750, 000
Committee recommendation—New (obligational) authority-----	1, 750, 000

The Service administers the matched fund program for marketing activities carried out through cooperative arrangements with State departments of agriculture, bureaus of markets, and similar State agencies. Payments to States for this purpose were authorized under section 204(b) of the Agricultural Marketing Act of 1946.

An appropriation of \$1,750,000 is recommended for the matching fund program. This is the amount carried in the House bill, the budget estimate, and the amount appropriated in 1968.

SPECIAL MILK PROGRAM

1968 authorization (by transfer from sec. 32)-----	(\$104, 000, 000)
1969 estimate (by transfer from sec. 32)-----	(104, 000, 000)
House bill—1969 (by transfer from sec. 32)-----	(104, 000, 000)
Committee recommendation (by transfer from sec. 32)-----	(104, 000, 000)

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Through fiscal year 1966, all nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program. From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from Commodity Credit Corporation funds.

The Agricultural Act of 1961 (Public Law 87-128), approved August 8, 1961, authorized financing of the program by regular appropriation. This authorization was amended by the Child Nutrition Act of 1966 (Public Law 89-642), approved October 11, 1966, which extended the program through fiscal year 1970.

The committee has approved the budget estimate of \$104 million for expenses and payments under the special milk program. This is the amount provided last year and carried in the House bill for fiscal 1969.

SCHOOL LUNCH PROGRAM

1968 new budget (obligational) authority to date ¹ -----	² \$182, 825, 000
1969 budget estimates—New (obligational) authority-----	³ 184, 443, 000
House bill—New (obligational) authority-----	³ 182, 825, 000
Committee recommendation-----	³ 173, 349, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

² In addition \$45,000,000 transfer from sec. 32 for commodity procurement.

³ In addition \$64,325,000 transfer from sec. 32, an increase of \$19,325,000 over 1968.

The committee recommends new obligational authority in the appropriation of \$173,349,000, a net decrease of \$9,476,000 under the 1968 Appropriation Act and a decrease of \$11,094,000 under the budget estimates, and a reduction of \$9,476,000 under the House bill. There is also provided \$64,325,000 of permanent appropriation transferred from section 32, as requested in the budget estimate and carried in the House bill, this, an increase of \$19,325,000 over last year. Thus, on a total funds available basis the committee recommends \$237,674,000, a net increase of \$9,849,000 over 1968.

The total amount recommended for the regular school lunch program is \$221,422,000 comprised of \$157,097,000 for cash payments to States and \$64,325,000 by transfer from section 32. This is a net increase of \$21,422,000 over comparable amounts made available a year ago. This is the amount requested in the budget estimate and will provide for national average reimbursement of 4½ cents per lunch served.

The reductions by the committee under the House bill result from the committee recommendations in only partially restoring the budget estimates for the new feeding programs authorized by section 11 of the National School Lunch Act and the Child Nutrition Act of 1966, as amended. For these latter programs, the committee recommends \$7,500,000 for special assistance, pursuant to section 11, \$4,500,000 for the pilot school breakfast program, \$2 million for nonfood assistance, and it has concurred in the House denial of State administrative expenses for the special programs, for a reduction of \$2.3 million under the estimate.

For the operating expenses of the program, the committee has provided \$2,252,000, a net increase of \$125,000 over the 1968 appro-

priation and the House bill. It is believed that these additional funds will be necessary to provide better supervision of the special assistance programs. In view of the general interest in the school lunch and special feeding programs, there is included a table which shows by projects and activities the several subitems compared with the 1968 appropriation, the budget estimate for 1969, the amounts recommended in the House bill and the amounts recommended by the committee.

Item	1968 appropriation (1)	Budget estimates (2)	House bill (3)	Senate committee recommendation (4)
School lunch program:				
Appropriation.....	\$182,825,000	\$184,443,000	\$182,825,000	\$173,349,000
Transfer from sec. 32.....	45,000,000	64,325,000	64,325,000	64,325,000
Total, available school lunch program....	227,825,000	248,768,000	247,150,000	237,674,000
Food assistance:				
a. Cash payments to States.....	155,000,000	157,097,000	171,448,000	157,097,000
b. Special cash assistance (sec. 11).....	5,000,000	10,000,000	5,000,000	7,500,000
Pilot school breakfast program.....	3,500,000	6,500,000	3,500,000	4,500,000
Nonfood assistance program.....	750,000	6,000,000	750,000	2,000,000
State administrative expenses.....		2,300,000		
Operating expenses.....	2,127,000	2,546,000	2,127,000	2,252,000

FOOD STAMP PROGRAM

1968 new obligational authority.....	\$161,800,000
Reappropriation.....	(23,200,000)
Total available 1968.....	(185,000,000)
Budget estimate (new obligational authority) 1969.....	225,000,000
House bill.....	¹ 225,000,000
Committee recommendation.....	¹ 225,000,000

¹ Of which \$25 million placed in reserve and available for use only to the extent required during fiscal 1969 after various corrections in program administration are made. House report, p. 44.

The food stamp program was authorized by Public Law 88-525, approved August 31, 1964. Public Law 90-91, approved September 27, 1967, extended the authorization to June 30, 1969 and provided that the act be carried out only with funds appropriated from the general fund of the Treasury for that specific purpose and in no event shall be carried out with funds derived from permanent appropriations.

The food stamp program is designed to benefit families or individuals receiving some form of welfare assistance, and is also authorized to help other designated families with incomes as low or lower than families receiving welfare. The program is conducted in cooperation with the States with the objective of providing improvements in the diets of low-income families. Eligible persons or families are able to increase their purchase of foods by means of food stamps issued in the form of special Federal assistance. The food stamps are redeemed in designated retail stores. The results of the program show that food purchases are increased.

An appropriation of \$225 million is recommended for the next fiscal year. This represents an increase of \$40 million over the funds available during fiscal 1968, and is the amount of the budget estimate and the amount provided in the House approved bill.

The committee is advised by the Department that it concurs in the need for a careful administration of the food stamp program and has assured the Committee that it is taking action to preclude a recurrence of situations discussed in the House report.

The committee has included language in the bill, language providing that the appropriation for this item shall become immediately available to pay obligations incurred under the appropriation for this purpose in the current fiscal year in excess of the amount carried in the regular Appropriation Act.

It is estimated that approximately \$2.5 million of the funds appropriated for fiscal 1969 may be needed to pay obligations incurred during fiscal 1968, arising from increased expenses resulting from expansion and modifications in the program during fiscal 1968. The language proposed to carry out this objective follows:

: Provided, That not to exceed \$2,500,000 of this appropriation shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

1968 new budget (obligational) authority to date ¹ -----	\$22, 141, 500
1969 budget estimates—new (obligational) authority-----	22, 414, 500
House bill—new (obligational) authority-----	21, 153, 800
Committee recommendation—new (obligational) authority-----	21, 928, 800

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program; general sales management for Government-owned surplus commodities; ocean transportation functions related to the export of commodities under U.S. programs; and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to title II of Public Law 480, as amended.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products.

It maintains a worldwide agricultural intelligence and reporting service to assist U.S. agricultural industry in its export operations. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies.

It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

The committee recommends an appropriation of \$21,928,800 to partially restore the budget estimate for the Foreign Agricultural Service. The increase of \$775,000 over the House bill is the amount in the estimate for expenses of the commodity export program which in-

cludes financing all agency activities in this area, coupled with the commodity market development program activities dealing with the various crops and commodities. The amount provided will maintain financing of this important activity at the current year level of \$16 million.

The amount recommended is \$485,700 under the estimate, \$775,000 over the House bill and \$212,700 under the 1968 appropriation.

In addition, \$3,117,000 is transferred from section 32 for market development, as in prior years, plus a transfer from the Commodity Credit Corporation of \$2,012,175 for export sale and donation activities. These transfers, together with the direct appropriation of \$21,928,008 will provide a total for 1969 of \$27,057,975.

COMMODITY EXCHANGE AUTHORITY

1968 new budget (obligational) authority to date ¹	\$1, 491, 000
1969 budget estimates of new (obligational) authority.....	1, 584, 000
House bill—new (obligational) authority.....	1, 530, 000
Committee recommendation—new (obligational) authority.....	1, 530, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives under the act are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust-fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

An appropriation of \$1,530,000 is recommended for 1969. This is an increase of \$39,000 over 1968 for pay costs, as the same or the House bill.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 901-913). The agency administers a number of agricultural program activities as described below.

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

1968 appropriation.....	¹ \$137, 935, 400
1969 budget estimate.....	¹ 143, 933, 700
House bill.....	¹ 141, 031, 400
Committee recommendation.....	¹ 141, 031, 400

¹ In addition the following amounts are authorized to be transferred from CCC funds: 1968 appropriation, \$58,608,600; 1969 budget estimate, \$62,764,100; House bill, \$62,764,100; and committee recommendation, \$62,764,100.

Under this appropriation item funds are made available for the administrative expenses of a number of farm programs administered

by the Agricultural Stabilization and Conservation Service. Several programs administered by this agency including production adjustment programs dealing with the various commodities and the special acreage production programs; administration of the Sugar Act program; administration of the agricultural conservation program; administration of the emergency conservation measures; the cropland adjustment and conversion programs; the conservation reserve program payments and the Appalachian Region conservation program; the administration of price support and related programs and special activities and export programs, as authorized pursuant to the foreign assistance programs, together with related service activities assigned to the agencies.

A direct appropriation of \$141,031,400 is recommended for 1969, a decrease of \$2,902,300 under the estimate and an increase of \$3,096,000 over the 1968 Appropriation Act. The amount proposed for transfer from the corporate fund of \$62,764,100 represents an increase of \$4,155,500 over the 1968 appropriation. This is the amount of the budget estimate and the House bill.

On a funds available basis, a total of \$203,795,500 is recommended, an increase of \$7,251,500 over 1968 and a reduction of \$2,902,300. The increased amounts are provided to meet the pay costs for fiscal years 1968 and 1969.

SUGAR ACT PROGRAM

1968 new budget (obligational) authority to date.....	\$80, 000, 000
1969 budget estimates—New (obligational) authority.....	82, 300, 000
House bill—New (obligational) authority.....	80, 000, 000
Committee recommendation—New (obligational) authority.....	82, 000, 000

Under this heading payments are made to domestic producers who comply with certain special provisions of the Sugar Act of 1948, as amended. Payments for this program are financed from a tax of 50 cents per hundred pounds imposed on all beet and cane sugar processed or imported into the United States used for direct consumption.

For payments in fiscal 1969 an appropriation of \$82 million is recommended, this is \$300,000 under the estimate, \$2 million over the House bill and over the amount appropriated last year.

AGRICULTURAL CONSERVATION PROGRAM

ADVANCE AUTHORIZATION FOR 1969 PROGRAM (CONTRACT AUTHORIZATION)

1968 new budget (obligational) authority to date ¹	\$220, 000, 000
1969 budget estimates—New (obligational) authority.....	100, 000, 000
House bill—New (obligational) authority.....	220, 000, 000
Committee recommendation—New (obligational) authority.....	195, 500, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. The act aims at restoring and improving soil fertility. It contributes to reducing erosion caused by wind and water. It also helps in conserving water on land. Costs are shared with individual farmers and ranchers who perform approved soil-building and soil- and water-conserving practices on their farms. This assistance

represents only a part of the cost of performing the practice. The farmer bears the balance of the cost which amounts to about 50 percent.

The committee recommends an advance authorization for the 1969 ACP program of \$195,500,000. This is \$95,500,000 over the budget, a decrease of \$24,500,000 under the House bill and the same amount as authorized for the current year, after the reduction pursuant to Public Law 90-218.

The 1968 program requires program payments in the amount of \$190 million. This is the amount carried in the House bill for liquidation of contract authorization and is \$5,500,000 under the estimate.

The committee has reduced the advance authorization for next year in view of the need to curtail Government expenditures. In formulating and carrying out the 1969 program, it is expected that program guides and requirements will give first priority to cost-share practices for the establishment of permanent soil and water conservation measures.

CROPLAND ADJUSTMENT PROGRAM

1968 new budget (obligational) authority to date.....	\$84, 500, 000
1969 budget estimates—New (obligational) authority.....	85, 700, 000
House bill—New (obligational) authority.....	84, 500, 000
Committee recommendation—New (obligational) authority.....	85, 700, 000

This program is authorized by title 6 of the Food and Agriculture Act of 1965. The purpose of this program is to assist farmers through long-term agreements to divert land from the production of unneeded crops to uses which will promote the development of soil, water, forest, wildlife, and recreational resources. There is authority under this program also to establish, protect, and conserve open spaces and natural beauty and to prevent air and water pollution.

An appropriation of \$85,700,000 is recommended for next year. This is the amount of the estimate, and an increase of \$1,200,000 over the House bill and the 1968 appropriation. The increased amount is provided to make payments in fiscal 1969 of cost sharing and technical assistance for the 1969 program.

The committee has restored language, requested in the estimate, but denied by the House to authorize a 1969 program of not to exceed \$30.5 million, which will divert production from about 1 million acres of land. This partial restoration is under the estimate by \$25 million. There was no program authorized for 1968.

The committee recommends a partial restoration of the authorization requested for cropland adjustment agreements because it believes that this method of retiring land from unneeded production is less costly than the annual diversion programs. Agreements under the CAP program run from 5 to 10 years; and, with the limited amount made available, it will be possible for the Department to offset some of the conservation reserve contracts on 6 million acres of land which will expire at the end of 1969, thereby keeping at least 1 million acres of the larger amount from returning to production of surplus or unneeded crops.

CONSERVATION RESERVE PROGRAM

1968 new budget (obligational) authority to date.....	\$123, 000, 000
1969 budget estimates—New (obligational) authority.....	109, 500, 000
House bill—New (obligational) authority.....	109, 000, 000
Committee recommendation—New (obligational authority).....	109, 000, 000

The conservation reserve program is authorized by the Soil Bank Act of 1956. It was a voluntary program under which the Secretary was authorized to enter into 3- to 10-year contracts with farmers to withdraw specified acreages of cropland from production and devote it to conservation uses. In return for removing designated cropland from production and for establishing necessary conservation practices on this land, the farmer receives an annual rental payment each year of the contract period, and received cost-sharing assistance for the establishment of the required conservation practices. Most contracts will have terminated by the fiscal year 1970.

An appropriation of \$109 million is recommended for fiscal 1969 to make payments to producers who entered into long-term contracts under the conservation reserve program. The recommended amount is \$500,000 under the estimate, \$14 million under the 1968 appropriation and the amount approved by the House.

Payments under the program will continue until 1973 when the remaining program contracts expire.

EMERGENCY CONSERVATION MEASURES

1968 new budget (obligational) authority to date.....	\$5, 000, 000
1969 budget estimates—New (obligational) authority.....	5, 000, 000
House bill—New (obligational) authority.....	5, 000, 000
Committee recommendation—New (obligational) authority.....	5, 000, 000

The program of emergency assistance was authorized by the Third Supplemental Appropriation Act of 1957 (Public Law 85-58). Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

An appropriation of \$5 million is recommended for the coming fiscal year. This is the amount of the estimate and the amount approved by the House bill. In addition to the new obligational authority it is expected that approximately \$15,350,000 of carryover funds will be available for a total availability of \$20,350,000 to meet emergency conservation needs.

The Department proposed that the Soil Conservation Service be permitted to use up to 15 percent of disaster funds for administrative expense purposes. The House concurred in this. It is recommended that this limitation be raised to not to exceed 10 percent, and whenever such technical expenses for a disaster allocation involving emergency assistance exceed the present 5-percent limitation that the

Department render a report to the committee setting forth the reasons for such additional cost.

RURAL COMMUNITY DEVELOPMENT SERVICE

1968 new budget (obligational) authority to date ¹	\$450, 000
1969 budget estimates—New (obligational) authority.....	469, 000
House bill—New (obligational) authority.....	463, 000
Committee recommendation—New (obligational) authority.....	463, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Rural Community Development Service cooperates with all phases of rural development, and serves the Secretary of Agriculture and other departments of government at the Washington level in the implementation of rural development programs. The Rural Community Development Service identifies Federal programs outside the Department of Agriculture that are still not effectively reaching rural areas because of administrative difficulties of communicating with a dispersed rural population. It also works with departments and agencies having such programs to develop effective means for overcoming these administrative difficulties by appropriate adjustments in the programs and by setting up appropriate methods of utilizing the services of Farmers Home Administration and other Department of Agriculture agencies to facilitate effective availability of useful programs of other departments in rural areas.

For the administrative expenses of the agency next year the committee recommends an appropriation of \$463,000, the House amount which represents an increase of \$13,000 over the 1968 act for Pay Act increases during fiscal 1968 and is \$6,000 below the estimate.

OFFICE OF THE INSPECTOR GENERAL

	<i>Amount</i>
1968 new budget (obligational) authority to date ¹	\$11, 993, 000
1969 budget estimates—new (obligational) authority.....	12, 867, 000
House bill—new (obligational) authority.....	12, 276, 000
Committee recommendation—new (obligational) authority.....	12, 576, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Internal audit and investigation activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503, dated June 25, 1962, and No. 1524, dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

An appropriation of \$12,576,000 is recommended, an increase of \$300,000 over the House bill, \$291,000 under the estimate and an increase of \$583,000 over the 1968 Appropriation Act.

The increases over 1968 include \$283,000 for pay act costs, the same amount approved by the House. An increase of \$200,000, denied by

the House, for increased food stamp program audit, is approved in view of the expanded program activity and new areas of operation of the program for next year. The total amount available for audit of the stamp program will be \$1,175,000 including the increased amount recommended. An increase of \$50,000 is also included for audit of the expanded meat inspection program authorized by the Wholesome Meat Act of 1967, together with \$50,000 of the budget estimate of \$50,000 for acceleration of certain types of loans made by the Farmers Home Administration.

PACKERS AND STOCKYARDS ADMINISTRATION

	<i>Amount</i>
1968 new budget (obligational) authority to date ¹	\$2, 569, 300
1969 budget estimates—new (obligational) authority.....	3, 166, 000
House bill—new (obligational) authority.....	2, 565, 300
Committee recommendation—new (obligational) authority.....	3, 065, 300

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Packers and Stockyards Administration was established by Secretary's Memorandum No. 1616, supplement 1, of May 8, 1967. The Agency administers the Packers and Stockyards Act of 1921, as amended. The main objective of the act is to assist in the maintenance of free competitive practices in the marketing of livestock, meat, and poultry. It operates currently to suppress monopoly, fraud, or restraints on trade in the marketing of \$15 billion worth of livestock and nearly \$2 billion of live poultry, which represents approximately one-third of the cash income of U.S. farmers, and \$20 billion worth of meat and dressed poultry annually, which is about one-third of consumer expenditures for food in the United States.

The principal programs carried out in administering the act are:

- (1) Investigation of packers meat merchandising and chainstore buying practices in order to maintain prices established by fair and competitive marketing practices and conditions;
- (2) Investigation of livestock procurement methods by packers and dealers to assure that unfair trade practices detrimental to producers and the industry are not in use;
- (3) Surveillance of marketing methods at public markets to foster and maintain effective competition;
- (4) Investigation of complaints regarding poultry marketing practices to identify and correct those which are injurious to producers and ethical operators in the industry;
- (5) To carry out weighing investigations to eliminate false and careless weighing to the maximum extent possible;
- (6) Review custodial accounts to determine that shippers' proceeds are safeguarded and otherwise handled in conformance with existing regulations;
- (7) Investigate financial condition of registrants and other subject to the act to determine that they are financially sound and capable of meeting their obligations, and require bonds of auction operators, commission firms, and dealers;
- (8) To initiate a poultry-scale testing program and extend the livestock and monorail scale-testing efforts to assure accurate scale facilities;
- (9) To study services and facilities at public markets to determine that they are adequate;

(10) Review rate proposals to determine that they are reasonable and commensurate with the services and facilities provided; and

(11) Investigate and provide for hearings and settlement of reparation complaints.

An appropriation of \$3,065,300 for fiscal year 1969 is recommended for administration of the Packers and Stockyards Act, as amended. This represents an increase of \$500,000 over the House bill, a reduction of \$100,700 under the estimate and a net increase of \$496,000 over the 1968 Appropriation Act.

The budget justification and the supporting testimony cited several illustrations for the need of substantial increases in program activities such as packer merchandising and procurement practices; the maintenance of effective competition; strengthening poultry marketing practices; and improved performance on the livestock, carcass, and poultry-scale testing programs.

The testimony also shows that more rigorous enforcement of the act should result in millions of dollars of increased income to livestock and poultry producers, and would especially benefit the smaller producers and low-income farmers. These producers are dependent upon effective administration of the act to protect their ability to obtain fair and competitive prices for livestock and poultry when offered for sale.

The \$500,000 approved by the committee to step up the administration of the Packers and Stockyards Act is to be allocated by the agency as deemed most effective to improve competition in the marketing and processing of livestock and poultry.

OFFICE OF GENERAL COUNSEL

1968 new budget (obligational) authority to date ¹ -----	\$4, 325, 000
1969 budget estimates—New (obligational) authority-----	5, 033, 000
House bill—New (obligational) authority-----	4, 461, 000
Committee recommendation—New (obligational) authority-----	4, 761, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The General Counsel, as chief law officer of the Department, is responsible for providing legal services for all programs, operations, and activities of the Department. He is assisted by a Deputy General Counsel and three Assistant General Counsels, each of whom is responsible for a portion of the legal work of the Department. The functions of this Office are carried out in the Washington office and in 20 field offices.

The field offices handle legal work relating to the activities in the field of the Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Farmers Home Administration, Federal Crop Insurance Corporation, Forest Service, and Soil Conservation Service, and the Agricultural Stabilization and Conservation Committees.

The committee has partially restored the budgeted amount requested for the Office in the amount of \$300,000, in view of the increased legal work involved in Federal-State agreements under the Meat Inspection Act. Of the amount approved \$25,000 is to be used to meet additional legal work in connection with administration of the Packers and Stockyards Act. The total amount recommended for next fiscal year is \$4,761,000 compared with \$4,325,000 appropriated last year. Also included is \$136,000 for pay act costs, the same amount as carried in the House bill.

OFFICE OF INFORMATION

1968 new budget (obligational) authority to date ¹ -----	\$1, 928, 000
1969 budget estimates—New (obligational) authority-----	1, 997, 000
House bill—New (obligational) authority-----	1, 965, 000
Committee recommendation—New (obligational) authority-----	1, 997, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department directory, and the Department list of publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department.

An appropriation of \$1,997,000 is recommended for this Office. This represents an increase of \$69,000 over 1968 for full pay and postage cost pursuant to Public Law 90-206.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

1968 new budget (obligational) authority to date ¹ -----	\$2, 608, 500
1969 budget estimates—New (obligational) authority-----	3, 419, 000
House bill—New (obligational) authority-----	3, 166, 500
Committee recommendation—New (obligational) authority-----	3, 419, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The National Agricultural Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. This reduced duplication of effort and avoids diversion of valuable time of scientists and administrators by letting them know what has been done previously in their fields. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo-reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world, and a biweekly Pesticides Documentation Bulletin, a computer-produced index to the world's pesticides related literature. The Library also provides cataloging information to a commercial publisher for inclusion in the monthly National Agricultural Library Catalog, a listing of currently acquired titles. The book collection approximates 1,285,000 volumes.

The full budget estimate of \$3,419,000 is recommended for the National Agricultural Library. This is \$252,500 over the House bill and \$810,500 over the 1968 Appropriation Act.

The increased amounts include \$731,500 principally for expenses necessary to occupy, and to partially equip the new library building, and \$79,000 for pay act costs pursuant to Public Law 90-206.

OFFICE OF MANAGEMENT SERVICES

1968 new budget (obligational) authority to date ¹ -----	\$2, 667, 000
1969 budget estimates—New (obligational) authority-----	2, 910, 000
House bill—New (obligational) authority-----	2, 821, 000
Committee recommendation—New (obligational) authority-----	2, 862, 200

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

This Office was established pursuant to Secretary's Memorandum No. 1529, dated January 29, 1963, to consolidate the budget and management service functions for several staff offices and agencies of the Department of Agriculture.

An appropriation of \$2,862,200 is recommended for this agency which furnishes staff services and management support to several small agencies and offices of the Department. This is an increase of \$195,200 over 1968 comprised of \$115,000 for pay act costs and \$80,200 for increase staff service activity. The total amount recommended is \$47,800 under the estimate and \$41,200 over the House bill.

GENERAL ADMINISTRATION

1968 new budget (obligational) authority to date ¹ -----	\$4, 487, 000
1969 budget estimates—New (obligational) authority-----	4, 664, 000
House bill—New (obligational) authority-----	4, 614, 000
Committee recommendation—New (obligational) authority-----	4, 614, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

This appropriation item is used to finance the expenses of the Office of the Secretary of Agriculture and his immediate staff, together with various staff offices, including the Office of Budget and Finance, Office of Plant and Operations, Office of Personnel, Office of Management Appraisal and Systems Development, Office of Hearing Examiners, the judicial officer, and the expenses of the National Advisory Commission.

The committee recommends \$4,614,000 for the operations of the Office of the Secretary and immediate staff functions financed by this appropriation. The increase of \$127,000 recommended by the committee, and the House bill is for costs incurred in 1968, and is \$50,000 below the estimate.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

LOAN AUTHORIZATION FOR ELECTRIFICATION LOANS

1968 new budget (obligational) authority to date.....	\$314, 000, 000
1969 budget estimates—New (obligational) authority.....	304, 000, 000
House bill—New (obligational) authority.....	304, 000, 000
Committee recommendation—New (obligational) authority.....	329, 000, 000

The committee recommends new loan authorization of \$329 million for the electrification program for the next fiscal year. This amount, together with an estimated carryover of \$41 million will provide a program level of \$370 million as compared to the level of \$391 million approved last year but subsequently reduced to \$350 million pursuant to Public Law 90-218.

The amount recommended is \$25 million over the House bill and the estimate, and \$15 million over the new authorization provided last year. Under the committee recommendation, no reserve authorization is provided.

The committee recognizes that generation and transmission facilities are, in many rural areas of the Nation, a necessary part of the rural electrification program. It is aware of the beneficial effect which the operation of these facilities has had in reducing wholesale power costs for the distribution cooperatives serving the thin rural areas. It recognizes the need for "heavying up" generation and transmission facilities, as well as distribution facilities, to enable power-type cooperatives to meet their power supply obligations to their members and honor their commitments to other electric power systems where they are working together in power pools. It acknowledges the importance of having financing available for such facilities where distribution systems find it necessary to escape from unreasonable or damaging conditions sometimes imposed by unfriendly power suppliers.

The Administrator has advised the committee that the loan level for electric facilities proposed in the budget request will necessitate the deferment of some loan needs which would normally be met in fiscal year 1969.

The committee urges the Administrator to screen all applications for loan funds with extraordinary care in view of the Nation's need for practicing the maximum economy in fiscal year 1969 to insure that loan funds will be available to finance those facilities, including generation and transmission, which cannot be delayed without causing serious and lasting damage to existing rural electric systems and the economy and effectiveness of their operations.

LOAN AUTHORIZATION FOR TELEPHONE LOANS

1968 new budget (obligational) authority to date.....	\$120, 600, 000
1969 budget estimates—New (obligational) authority.....	120, 000, 000
House bill—New (obligational) authority.....	120, 000, 000
Committee recommendation—New (obligational) authority.....	120, 000, 000

New loan authorization of \$120 million is recommended for the rural telephone program. This amount, together with the estimated carryover of \$5 million, will provide a program level of \$125 million, the same level approved last year, and \$5 million over estimated loans of \$120 million.

The amount recommended is the budget estimate, the House amount and \$600,000 under the amount provided last year.

SALARIES AND EXPENSES

1968 new budget (obligational) authority to date ¹ -----	\$12,457,000
1969 budget estimates—New (obligational) authority-----	12,937,000
House bill—New (obligational) authority-----	12,805,000
Committee recommendation—New (obligational) authority-----	12,805,000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

An appropriation of \$12,805,000 is recommended for the salaries and expenses of the Rural Electrification Administration during fiscal year 1969. This is \$132,000 under the budget estimate, \$348,000 over the 1968 appropriation and the same as the House bill. The increase provided over 1968 is for necessary Pay Act increases.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration was established November 1, 1946, pursuant to the Farmers Home Administration Act of 1946. The agency conducts a number of loan and grant programs authorized by various amendments to basic legislation.

DIRECT LOAN ACCOUNT AND RURAL HOUSING DIRECT LOAN ACCOUNT

PARTICIPATION SALES AUTHORIZATION

1968 new budget (obligational) authority to date-----	\$750,000,000
1969 budget estimates new (obligational) authority-----	425,000,000
House bill, new (obligational) authority-----	-----
Committee recommendation—new (obligational) authority-----	-----

The committee concurs in the action of the House in denying authority for proposed sales of \$425 million of participation sales certificates. The direct loan account and rural housing direct loan account will both have larger unused carryover balances as of June 30, 1968, and also as of June 30, 1969. The direct loan account is expected to have a balance of \$583,275,708 as of June 30, 1969, less loan authorizations recommended of \$387,900,000. The rural housing direct loan account is estimated to have a balance of \$418,887,934 as of June 30, 1969, less loan applications recommended for 1969, totaling \$30 million.

PAYMENT OF SALES INSUFFICIENCIES

The committee concurs in the action of the House in denying an indefinite appropriation for payment of sales insufficiencies. Last year, an appropriation of \$13,268,000 was made available with the fiscal year limitation. In requesting restoration of the denial of the indefinite appropriation, the Department did not provide the committee with any indication as to how much of the previous appropriation was still available for this purpose. Whenever a specific amount based upon an actual need is submitted, the committee will give consideration to further appropriation for this item.

DIRECT LOAN ACCOUNT

	1968 authori- zation	Budget esti- mate, 1969	House bill, 1969	Senate com- mittee, 1969
Real estate:				
(1) Farmownership loans.....	\$10,000,000	\$5,000,000	\$5,000,000	\$5,000,000
(2) Soil and water loans.....	100,000,000	78,000,000	78,000,000	78,000,000
Farm subtotal real estate.....	110,000,000	83,000,000	83,000,000	83,000,000
(3) Soil conservation loans.....	7,500,000	4,900,000	4,900,000	4,900,000
(4) Operating loans.....	300,000,000	250,000,000	250,000,000	300,000,000
Total, direct loan account.....	417,500,000	337,900,000	337,900,000	387,900,000

The direct loan account was established pursuant to the Consolidated Farmers Home Administration Act of 1961. In addition, collections on principal and interest on outstanding loans are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury. The funds in this account are available for making loans for farm ownership, for soil and water conservation facilities and systems, and for farm operating purposes.

The committee has recommended an authorization of \$83 million for real estate loans of which \$78 million is for soil and water and \$5 million for farmownership loans and \$4.9 million for soil conservation loans. The total recommended for these two items is the budget estimate, the House authorization, and a decrease of \$27 million under the amount authorized in fiscal year 1968.

For farm operating loans, the committee recommends authorization in the amount of \$300 million. This is the same amount authorized in the 1968 Appropriation Act, and \$50 million above the budget and the House amount.

Under the language authorizing loans for activities conducted by the Soil Conservation Service, a total of \$4,900,000 is authorized for loans for water protection, flood prevention, and resource conservation and development projects. These loans are to be made directly from the direct loan account up to the respective amounts authorized for these purposes.

The balance in the direct loan account next June 30 is estimated to be \$803,402,708. It is noted that estimated receipts to the account for fiscal 1969, exclusive of sales of participation certificates, are \$369,191,000 representing a return to the Treasury of approximately the same amount as expenditures authorized in the bill for 1969.

RURAL HOUSING DIRECT LOAN ACCOUNT

1968 new budget (obligational) authority to date	(\$15,000,000)
1969 budget estimates—New (obligational) authority.....	(30,000,000)
House bill—New (obligational) authority.....	(15,000,000)
Committee recommendation—New (obligational) authority.....	(30,000,000)

The rural housing direct loan account was established pursuant to title X of Public Law 89-117, approved August 10, 1965. This act amended title V of the Housing Act of 1949 to provide for this account. The authorizing amendment also provided for the transfer to the rural housing direct loan account of (1) all funds, claims,

notes, mortgages, contracts, and property and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the act; and (2) all unexpended balances of appropriations for direct loan under title V, including funds authorized for direct elderly housing loans by section 515(a) of the act, as amended.

For fiscal year 1969, it is estimated that rural housing loans will total \$505 million of which \$30 million will be from the direct loan account. This is the same loan level at which the program is estimated to operate in fiscal year 1968.

At the end of fiscal year 1968 it is estimated that the rural housing direct loan account will have a balance of \$427,162,934, and collections during fiscal year 1969 are estimated at \$65 million. Thus, a total of approximately \$492 million will be available during fiscal year 1969. This will be more than adequate to finance the \$30 million loan authorization recommended in the bill. Therefore, as stated earlier the committee concurs in the House recommendation to deny authorization for additional participation sales in fiscal year 1969.

The committee recommendation of \$30 million loan authorization is the budget estimate and \$15 million over the amount recommended in the House bill. The additional \$15 million authorized by the committee will provide an additional \$13 million for section 504 low income housing loans to individuals and \$2 million for natural disaster housing loans.

The committee recommends striking the House language regarding collateral required for housing loans. The committee is in sympathy with the objective of the House language and expects the Department to supply the conferees with a clarification of its objections to the language.

RURAL WATER AND WASTE DISPOSAL GRANTS

1968 new budget (obligational) authority to date ¹ -----	\$30, 000, 000
1969 budget estimates—New (obligational) authority-----	27, 250, 000
House bill—New (obligational) authority-----	28, 000, 000
Committee recommendations—New (obligational) authority-----	28, 000, 000

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended by Public Law 89-240, approved October 7, 1965, provides an appropriation authority for grants for the preparation of comprehensive plans for the development of water or sewer systems. Grants made under this authority may not exceed \$5 million in any 1 fiscal year.

This new program which provides grants for the development of water and sewage systems in rural areas has proven to be very popular. Under the authorization act the amount of a grant may not exceed 50 percent of the total cost of the project.

The committee recommends an appropriation of \$28 million for this program. This is an increase of \$750,000 over the budget estimate and is the same as the amount provided in the House bill and represents a reduction of \$2 million under the Appropriation Act for 1968. The amount provided, however, is the same amount as was programed in fiscal 1968 following the reduction made under Public Law 90-218.

RURAL RENEWAL

1968 new budget (obligational) authority to date.....	\$1, 600, 000
1969 budget estimates—new (obligational) authority.....	1, 600, 000
House bill—new (obligational) authority.....	1, 600, 000
Committee recommendation—new (obligational) authority.....	1, 600, 000

The rural renewal program was authorized pursuant to section 102 of the Food and Agricultural Act of 1962. Under this authorization loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization.

An appropriation of \$1,600,000 is recommended to continue this program during fiscal 1969. This is the same amount as was appropriated in fiscal 1968, the amount requested for fiscal 1969, and the amount carried in the House bill.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1968 new budget (obligational) authority to date.....	\$3, 500, 000
1969 budget estimates—new (obligational) authority.....	5, 000, 000
House bill—new (obligational) authority.....	3, 500, 000
Committee recommendation—new (obligational) authority.....	5, 000, 000

Financial assistance needed to provide low-rent housing and related facilities for domestic farm labor was authorized by section 516 of the Housing Act of 1949, as amended.

The grants provided stimulate the construction of farm labor housing to meet the needs of farm laborers who can afford to pay rents during the limited time that the housing is occupied in the production of seasonal crops. Income from such housing, which is only occupied sporadically, is insufficient to amortize the full cost of construction plus maintenance. Therefore, grants are necessary to assist in the financing of housing costs. The amount recommended will permit the agency to continue assistance to 26 projects and to undertake to meet additional housing needs during the ensuing fiscal year.

An appropriation of \$5 million is recommended for this program. This is an increase of \$1,500,000 over the amount appropriated for fiscal 1968 and over the House-passed bill. It is the amount requested in the budget estimate for fiscal 1969. The increased amount is needed to accelerate the program essential to providing housing for migrant agricultural laborers and will enable the agency to give assistance to 12 additional projects during fiscal 1969.

SALARIES AND EXPENSES

DIRECT APPROPRIATION

1968 new budget (obligational) authority to date.....	\$55, 988, 000
1969 budget estimates—New (obligational) authority.....	59, 132, 000
House bill—New (obligational) authority.....	57, 641, 000
Committee recommendation—(New (obligational) authority.....	58, 319, 000

The committee recommends a direct appropriation of \$58,319,000 for salaries and expenses of the Farmers Home Administration. In addition, there is provided \$2,750,000 available by transfer from the agriculture credit insurance fund and from program funds, thus, providing a total for administrative expense of \$61,069,000.

The amount recommended is an increase of \$2,331,000 over 1968 appropriations, an increase of \$678,000 over the House bill, and

\$813,000 under the estimate for fiscal year 1969. The increase over the House is provided to meet 1969 pay costs pursuant to Public Law 90-206.

The recommendations of the committee provide a total increase of \$2,331,000 over 1968 for administrative expenses for the administration of the regular loan and grant programs administered by the agency. This is a decrease of \$813,000 under the amount requested in the budget for this purpose.

TITLE III—CORPORATIONS
FEDERAL CROP INSURANCE CORPORATION—ADMINISTRATIVE AND OPERATING EXPENSES

Source of funds	1968 new budget (obligational) authority to date ¹	1969 budget estimates of new (obligational) authority	House bill, 1969	Senate committee, 1969
By appropriation.....	\$10,208,000	\$12,000,000	\$10,487,000	\$12,000,000
By transfer from premium income.....	(2,850,000)	(1,430,000)	(2,850,000)	(1,430,000)
Total, FCIC.....	(13,058,000)	(13,430,000)	(13,337,000)	(13,430,000)

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Federal Crop Insurance Corporation is a wholly owned Government Corporation created February 16, 1938 (7 U.S.C. 1501) to carry out the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers from losses resulting from negligence of failure to observe good farming practices.

Administrative and operating expenses for the Federal Crop Insurance Corporation are financed by appropriation and by transfer from premium income.

The total fund recommended by the committee for this purpose from both appropriated funds and transfer from premium income is \$13,430,000. This amount is \$93,000 over the amount provided in the House bill, \$372,000 over the amount provided in the fiscal year 1968 Appropriation Act and the same as the fiscal year 1969 budget request.

The direct appropriation recommended by the committee is \$12 million, the 1969 budget estimate. This amount is \$1,792,000 over the direct appropriation provided in fiscal year 1968 and \$1,513,000 over the amount recommended in the House bill.

The committee recommends that the amount of administrative expenses to be derived by transfer from premium income be limited to \$1,430,000, the amount requested in the fiscal year 1969 budget. This is \$1,420,000 under the amount provided by transfer in the 1968 Appropriation Act and the amount recommended in the House bill.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

1968:

Appropriation-----	\$1, 400, 000, 000
Contract authorization-----	988, 860, 000

New budget (obligational) authority----- 2, 388, 860, 000

1969 budget estimate:

Appropriation-----	3, 648, 506, 000
Liquidation of contract authorization-----	¹ — 350, 467, 000

New budget (obligational) authority----- 3, 298, 039, 000

House bill:

Appropriation-----	3, 188, 112, 500
Liquidation of contract authorization-----	¹ — 350, 467, 000

New budget (obligational) authority----- 2, 837, 645, 500

Committee recommendation:

Appropriation-----	3, 188, 112, 500
Liquidation of contract authorization-----	¹ — 350, 467, 000

New budget (obligational) authority----- 2, 837, 645, 500

¹ Of which \$350,467,000 is liquidation appropriation for a part of contract authorization of \$988,860,000 incurred in fiscal 1968 and due in 1969.

Public Law 87-155, approved August 17, 1961, authorizes the restoration of capital impairment by reimbursement appropriation.

An appropriation of \$3,188,122,500 is recommended to reimburse capital impairment of the Commodity Credit Corporation for the balance of losses in fiscal year 1966 and a partial restoration for the fiscal year 1967 loss. The amount proposed includes \$350,467,000 to liquidate contract authorization established in fiscal 1968 and payable against obligations in fiscal 1969. The new obligational authority recommended is in the amount of \$2,837,645,500, is the same amount as provided in the House bill, \$460,393,500 under the budget estimate, and \$448,785,500 over the obligational authority provided in the Appropriation Act for 1968. A balance of \$2,210.6 million for 1967 loss of \$3,813 million is not restored and was not requested in the 1969 estimate.

The borrowing authority estimated to be available June 30, 1968, is \$1,546,000,000 and the estimate for June 30, 1969, is estimated at \$1,247,000,000, taking into consideration the reimbursement for losses recommended in this bill.

The unreimbursed losses of the Commodity Credit Corporation, including an estimated loss in fiscal 1968 of \$3,465,300,000 will total \$6,732.9 million on July 1, 1968, after appropriation of the amount proposed in the bill. This is comprized of the estimated loss for 1968, \$1,057, 000, 000 from fiscal 1961, and a balance of \$2,210.6 million from the 1967 loss of \$3,813.6 million.

As indicated earlier, Public Law 87-155 authorizes the reimbursement of realized losses of the Corporation by an appropriation in the full amount as soon thereafter as such losses are properly accounted on the corporation records. In the past 5 years, every possible effort has been made by the committee to bring the appropriation for this item to a current basis. As stated above, there are still unreimbursed losses going back as far as fiscal 1961. The hearings of the committee show that the officials of the Department of Agriculture have been

very cooperative in attempting to bring this item to a more current basis based on agency and departmental budget requests, but the obvious fault for not including in the budget estimate the full amount lies with the Bureau of the Budget which sets the final ceiling for all budget requests.

When the House acted on the budget estimate for fiscal 1969, it reduced the estimate by \$460,393,500. In its formal letter to the committee, signed by the Secretary of Agriculture, and dated May 13, 1968, the Department of Agriculture made no restoration request of the House reduction for the reimbursement appropriation.

The amount provided in the bill will enable the Commodity Credit Corporation to discharge all of its authorized program operations during the coming fiscal year, but this further failure on the part of the budgetary officials to request the full amount as intended by law will ultimately lead to the need for a supplemental appropriation within a year or two.

LIMITATION ON ADMINISTRATIVE EXPENSES

1968 new budget (obligational) authority to date-----	(\$31, 500, 000)
1968 reduction (P.L. 90-218)-----	
1969 budget estimates—New (obligational) authority-----	(31, 500, 000)
House bill—New (obligational) authority-----	(31, 500, 000)
Committee recommendation—New (obligational) authority-----	31, 500, 000

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The committee recommends for limitation on administrative expenses for the Corporation the amount of \$31,500,000. This is the budget estimate, the amount authorized in the House bill and the same limitation approved for fiscal year 1968.

FOREIGN ASSISTANCE PROGRAMS

By various statutes the Commodity Credit Corporation is used to finance programs dealing with the export of agricultural commodities and for reimbursements under Public Law 480, as amended and other authorities described below:

PUBLIC LAW 480

The committee recommends a total appropriation of \$300 million for financing Title I and II of Public Law 480 as amended. This is a net decrease of \$1,305,500,000 under the amount appropriated in fiscal year 1968; \$618,143,000 under the 1969 budget estimate and the same amount as the House bill. The amounts recommended are described below:

By titles	1968 new budget (obligational) authority to date	1969 budget estimates of new (obligational) authority	House bill 1969	Senate committee 1969
Sales, title I.....	\$1,305,500,000	\$361,537,000	\$100,000,000	\$100,000,000
Donations, title II.....	300,000,000	556,606,000	200,000,000	200,000,000
Total, Public Law 480.....	1,605,500,000	918,143,000	300,000,000	300,000,000

For title I which includes sales of agricultural commodities for foreign currencies and sales of agricultural commodities on credit terms, the committee has recommended \$100 million. This is the same amount recommended by the House, \$261,531,000 under the budget request and \$1,205,500,000 under the 1968 appropriations. The carryover funds from 1968 and estimated receipts during 1969 for title I of Public Law 480 should provide a net of \$872,900,000, which added to the \$100 million of new obligational authority recommended in the Senate and House bill will provide a total available financing for 1969 of \$972,900,000.

For title II which includes commodities disposed of and other costs incurred in connection with donations abroad, the committee recommends \$200 million. This amount is the same as recommended by the House, \$100 million under appropriations for 1968, and \$356,606,000 under the estimates for fiscal 1969. The restoration request from the Department was not for the full amount of \$356,606,000 but only for \$250 million, and it is noted in the justification of it that \$200 million of requested partial restoration is contingent upon the ratification of the International Grains Agreement. In view of the indefinite status of this agreement, which has not been acted upon to date by the committee to which it was referred, the committee has decided to concur in the amount approved in the House bill.

Under the authorization of Public Law 480, as amended, additional program expenses over and above the amounts appropriated are authorized to be financed from the borrowing authorization of the Commodity Credit Corporation. To the extent that program expenses for either titles I or II exceed the amounts recommended for fiscal 1969, further impairment of the capital structure of the Corporation will occur, although it is believed, as previously stated, that there will be ample borrowing authority barring unforeseen regular program activity to enable the Corporation to operate for the full fiscal year 1969 without further appropriations.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1968 new budget (obligational) authority to date ¹ -----	(\$3, 224, 000)
1968 reduction (P.L. 90-218)-----	
1969 budget estimates—New (obligational) authority-----	(3, 436, 000)
House bill—New (obligational) authority-----	(3, 436, 000)
Committee recommendation—New (obligational) authority-----	(3, 436, 000)
Comparisons (+ or -):	
1968 appropriation-----	(+212, 000)
Estimate for 1969-----	
House bill-----	

¹ Excludes reductions made pursuant to Public Law 90-218 and excludes proposed supplementals for 1968.

The Administration supervises, examines and provides facilities and services to a coordinated system of Farm Credit banks and associations making loans to farmers and their cooperatives. A fundamental principle of supervision is the encouragement and development of agricultural cooperative agencies, rendering constructive credit service to farmers at minimum cost and with complete farmer ownership an ultimate objective of the agencies supervised. Services and facilities furnished by the Administration facilitate the operations of the banks and associations under its supervision and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the Farm Credit System.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636b). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

Under "Limitation on Administrative Expenses" the committee recommends \$13,436,000 for the Farm Credit Administration. This is the amount carried in the House bill the amount of the budget estimate, and an increase of \$212,000 over the amount authorized last year.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND THE BUDGET ESTIMATES FOR 1969

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1968 (2)	Budget estimate of new (obligational) authority, 1969 (3)	Increase (+) or decrease (—) (4)
Permanent appropriations:			
Agricultural Research Service: Animal quarantine station.....	\$200,000	\$326,600	+\$126,600
Consumer and Marketing Service:			
Removal of surplus agricultural commodities (sec. 32).....	1 578,911,603	1 600,000,000	+21,088,397
Perishable Agricultural Commodities Act fund.....	905,000	905,000	-----
Agricultural Stabilization and Conservation Service: National Wool Act.....	34,792,675	63,700,000	+28,907,325
Total, permanent appropriations.....	614,809,278	664,931,600	+50,122,322
Permanent lending authorities, Commodity Credit Corporation:			
Export credit sales program.....	-32,100,000	23,500,000	+55,600,000
Other.....	3,000,000	-----	-3,000,000
Total, permanent lending authority.....	-29,100,000	23,500,000	+52,600,000

¹ Includes transfers to other appropriation items as shown in later tables.

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill]

Agency and item (1)	New budget (obligational) authority, 1968 (2)	Budget estimate of new (obligational) authority, 1969 (3)	Increase (+) or decrease (—) (4)
Agricultural Research Service: Miscellaneous trust funds-----	\$1,017,000	\$1,393,000	+\$376,000
Soil Conservation Service: Miscellaneous contributed funds-----	965,000	1,033,000	+68,000
Economic Research Service: Miscellaneous contributed funds-----	31,000	30,000	-1,000
Consumer and Marketing Service: Fees for inspection and grading-----	31,778,000	32,805,000	+1,027,000
Other agencies: Miscellaneous contributed funds-----	17,000	14,000	-3,000
Total, trust funds-----	33,808,000	35,275,000	+1,467,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969

41

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (en- acted to date) 1	Budget esti- mates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in House bill	Amount recommended by Senate committee for 1969	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations or obligations fiscal year 1968 to date	Budget esti- mates, 1969	House bill, 1969
	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—GENERAL ACTIVITIES							
Agricultural Research Service, salaries and expenses:							
Research:							
Direct appropriation.....	\$136,775,500	\$136,273,100	\$125,972,500	\$131,950,600	—\$4,824,900	—\$4,322,500	+\$5,978,100
Transfer from sec. 32 2.....	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)			
Total, research.....	(151,775,500)	(151,273,100)	(140,972,500)	(146,950,600)	(—4,824,900)	(—4,322,500)	(+5,978,100)
Plant and animal disease and pest control.....	85,802,000	88,647,500	85,298,500	88,239,500	+2,437,500	—408,000	+2,941,000
Special fund (reappropriation).....	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	—2,000,000		
Total, salaries and expenses.....	224,577,500	224,920,600	211,271,000	220,190,100	—4,387,400	—4,730,500	+8,919,100
Salaries and expenses (special foreign cur- rency program).....	8,500,000	12,700,000	4,500,000	4,500,000	—4,000,000	—8,200,000	
Total, Agricultural Research Service.....	233,077,500	237,620,600	215,771,000	224,690,100	—8,387,400	—12,930,500	+8,919,100
Cooperative State Research Service: Payments and expenses.....	63,113,000	62,179,000	58,958,000	61,125,000	—1,988,000	—1,054,000	+2,167,000
Extension Service:							
Payments to States and Puerto Rico.....	81,917,500	81,917,500	78,532,500	81,917,500			+3,385,000
Retirement costs for extension agents.....	8,818,500	9,333,500	8,818,500	9,333,500	+515,000		+515,000

See footnotes at end of table, p. 48.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	(2)	(3)	(4)	(5)	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations or obligations fiscal year 1968 to date	Budget estimates, 1969	House bill, 1969
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—GENERAL ACTIVITIES—Con.							
Extension Service—Continued							
Penalty mail.....	\$3, 113, 000	\$3, 500, 000	\$3, 299, 000	\$3, 299, 000	+\$186, 000	—\$201, 000	-----
Federal Extension Service.....	2, 753, 000	2, 878, 000	2, 838, 000	2, 838, 000	+85, 000	—40, 000	-----
Total, Extension Service.....	96, 602, 000	97, 629, 000	93, 488, 000	97, 388, 000	+786, 000	—241, 000	\$+3, 900, 000
Farmer Cooperative Service.....	1, 304, 000	1, 848, 000	1, 341, 000	1, 341, 000	+37, 000	—507, 000	-----
Soil Conservation Service:							
Conservation operations.....	113, 500, 000	116, 313, 000	114, 893, 000	114, 893, 000	+1, 393, 000	—1, 420, 000	-----
Watershed planning.....	6, 000, 000	6, 224, 000	6, 165, 000	6, 165, 000	+165, 000	—59, 000	-----
River basin surveys and investigations Works of improvement.....	70, 403, 000	42, 148, 000	3 65, 000, 000	{ 8, 780, 000 3 57, 907, 000	—3, 716, 000	+24, 539, 000	+1, 687, 000
Flood prevention.....	25, 753, 000	12, 395, 000	4 20, 000, 000	17, 500, 000	—8, 253, 000	+5, 105, 000	—2, 500, 000
Great Plains conservation program.....	16, 336, 000	13, 414, 000	3 16, 000, 000	16, 000, 000	—336, 000	+2, 586, 000	-----
Resource conservation and development.....	6, 129, 000	6, 474, 000	6, 256, 000	6, 474, 000	+345, 000	-----	+218, 000
Total, Soil Conservation Service.....	238, 121, 000	196, 968, 000	228, 314, 000	227, 719, 000	—10, 402, 000	+30, 751, 000	—595, 000
Economic Research Service: Salaries and expenses.	12, 421, 000	13, 964, 000	12, 789, 000	13, 089, 000	+668, 000	—875, 000	+300, 000
Statistical Reporting Service: Salaries and ex- penses.....	13, 830, 500	14, 674, 000	14, 184, 500	14, 467, 500	+637, 000	—206, 500	+283, 000

Consumer and Marketing Service:					
Consumer protective, marketing, and regulatory programs-----	89,310,000	119,846,000	6 118,989,500	116,314,500	+27,004,500
Payments to States and possessions-----	1,750,000	1,750,000	1,750,000	1,750,000	-----
Special milk program: Transfer from sec. 32 ² -----	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	-----
Total, special milk program-----	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	-----
School lunch program:					
Direct appropriation-----	182,825,000	184,443,000	182,825,000	173,349,000	-9,476,000
Transfer from sec. 32 ² -----	(45,000,000)	(64,325,000)	(64,325,000)	(64,325,000)	(+19,325,000)
Total, school lunch program-----	(227,825,000)	(248,768,000)	(247,150,000)	(237,674,000)	(+9,849,000)
Food stamp program:					
Direct appropriation-----	161,800,000	225,000,000	225,000,000	225,000,000	+63,200,000
Reappropriation-----	23,200,000	-----	-----	-----	-23,200,000
Total, food stamp program-----	185,000,000	225,000,000	225,000,000	225,000,000	+40,000,000
Total, Consumer and Marketing Service-----	458,885,000	531,039,000	528,564,500	516,413,500	+57,528,500
Foreign Agricultural Service:					
Salaries and expenses-----	22,141,500	22,414,500	21,153,800	21,928,800	-212,700
Transfer from sec. 32 ² -----	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	-----
Transfer from CCC-----	(2,012,175)	(2,107,000)	(2,012,175)	(2,012,175)	(-94,825)
Total, Foreign Agricultural Service-----	(27,270,675)	(27,638,500)	(26,282,975)	(27,087,975)	(-530,525)
Commodity Exchange Authority-----	1,491,000	1,584,000	1,530,000	1,530,000	+39,000
Agricultural Stabilization and Conservation Service:					
Expenses, ASCS:					
Direct appropriation-----	137,935,400	143,933,700	141,031,400	141,031,400	+3,096,000
Transfer from CCC-----	(58,608,600)	(62,764,100)	(62,764,100)	(62,764,100)	(+4,155,500)
Sugar Act program-----	(196,544,000)	(206,697,800)	(203,795,500)	(203,795,500)	(+7,251,500)
	80,000,000	82,300,000	80,000,000	82,000,000	+2,000,000
				(2,902,300)	+2,000,000

See footnotes at end of table, p. 48.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (en- acted to date) 1	Budget esti- mates (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in House bill	Amount recommended by Senate committee for 1969	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations or obligations fiscal year 1968 to date	Budget esti- mates, 1969	House bill, 1969
	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—GENERAL ACTIVITIES—Con.							
Agricultural Stabilization and Conservation Service—Continued							
Agricultural conservation program:							
Advance authorization for 1969 program (contract authorization)-----	\$220,000,000	\$100,000,000	\$220,000,000	\$195,500,000	-\$24,500,000	+\$95,500,000	-\$24,500,000
Liquidation of contract authorization-----	(220,000,000)	(195,500,000)	(190,000,000)	(190,000,000)	(-30,000,000)	(-5,500,000)	-----
Cropland adjustment program-----	84,500,000	85,700,000	84,500,000	85,700,000	+1,200,000	-----	+1,200,000
Limitation on authorization for 1969 pro- gram-----	-----	(55,500,000)	-----	(30,500,000)	(+30,500,000)	(-25,000,000)	(+30,500,000)
Conservation reserve program-----	123,000,000	109,500,000	109,000,000	109,000,000	-14,000,000	-500,000	-----
Emergency conservation measures-----	5,000,000	5,000,000	5,000,000	5,000,000	-----	-----	-----
Total, Agricultural Stabilization and Con- servation Service-----	650,435,400	526,433,700	639,531,400	618,231,400	-32,204,000	+91,797,700	-21,300,000
Rural Community Development Service-----	450,000	469,000	463,000	463,000	+13,000	-6,000	-----
Office of Inspector General-----	11,993,000	12,867,000	12,276,000	12,576,000	+583,000	-291,000	+300,000
Packers and Stockyards Administration-----	2,569,300	3,166,000	2,565,300	3,065,300	+496,000	-100,700	+500,000
Office of General Counsel-----	4,325,000	5,033,000	4,461,000	4,761,000	+436,000	-272,000	+300,000
Office of Information-----	1,928,000	1,997,000	1,965,000	1,997,000	+69,000	-----	+32,000
National Agricultural Library-----	2,608,500	3,419,000	3,166,500	3,419,000	+810,500	-----	+252,500

Office of Management Services.....	2, 667, 000	2, 910, 000	2, 821, 000	2, 862, 200	+195, 200	-47, 800	+41, 200
General administration.....	4, 487, 000	4, 664, 000	4, 614, 000	4, 614, 000	+127, 000	-50, 000	-----
Total new budget (obligational) authority, title I, general activities.....	1, 822, 449, 700	1, 740, 878, 800	1, 847, 957, 000	1, 831, 680, 800	+9, 231, 100	+90, 802, 000	-16, 276, 200
TITLE II—CREDIT AGENCIES							
Rural Electrification Administration:							
Loan authorizations:							
Electrification.....	314, 000, 000	304, 000, 000	304, 000, 000	329, 000, 000	+15, 000, 000	+25, 000, 000	+25, 000, 000
Telephone.....	120, 600, 000	120, 000, 000	120, 000, 000	120, 000, 000	-600, 000	-----	-----
Total loans (authorization to spend debt receipts).....	434, 600, 000	424, 000, 000	424, 000, 000	449, 000, 000	+14, 400, 000	+25, 000, 000	+25, 000, 000
Salaries and expenses.....	12, 457, 000	12, 937, 000	12, 805, 000	12, 805, 000	+348, 000	-132, 000	-----
Total, Rural Electrification Administration.....	447, 057, 000	436, 937, 000	436, 805, 000	461, 805, 000	+14, 748, 000	+24, 868, 000	+25, 000, 000
Farmers Home Administration:							
Direct loan account: (limitations)							
Real estate loans.....	(110, 000, 000)	(83, 000, 000)	(83, 000, 000)	(83, 000, 000)	(-27, 000, 000)	-----	-----
Operating loans.....	(300, 000, 000)	(250, 000, 000)	(250, 000, 000)	(300, 000, 000)	(-27, 000, 000)	(-50, 000, 000)	(-50, 000, 000)
Soil conservation loans.....	(7, 500, 000)	(4, 900, 000)	(4, 900, 000)	(4, 900, 000)	(-2, 600, 000)	-----	-----
Total, direct loan account.....	(417, 500, 000)	(337, 900, 000)	(337, 900, 000)	(387, 900, 000)	(-29, 600, 000)	(+50, 000, 000)	(+50, 000, 000)
Rural housing direct loans.....	(15, 000, 000)	(80, 000, 000)	(15, 000, 000)	(80, 000, 000)	(+15, 000, 000)	-----	(+15, 000, 000)
Total, loan limitations.....	(432, 500, 000)	(367, 900, 000)	(352, 900, 000)	(417, 900, 000)	(+14, 600, 000)	(+50, 000, 000)	(+65, 000, 000)
Participation sales authorization (authoriza- tion to spend agency debt receipts).....	750, 000, 000	425, 000, 000	-----	-----	-750, 000, 000	-425, 000, 000	-----
Payment of participation sales insufficiencies.....	13, 268, 000	-----	(⁹)	(⁹)	-13, 268, 000	-----	-----
Rural water and waste disposal grants.....	30, 000, 000	27, 250, 000	28, 000, 000	28, 000, 000	-2, 000, 000	+750, 000	-----
Rural renewal.....	1, 600, 000	1, 600, 000	1, 600, 000	1, 600, 000	-----	-----	-----
Rural housing for domestic farm labor.....	3, 500, 000	5, 000, 000	3, 500, 000	5, 000, 000	+1, 500, 000	-----	+1, 500, 000

See footnotes at end of table, p. 48.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1968 (en- acted to date) ¹	Budget esti- mates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in House bill	Amount recommended by Senate committee for 1969	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations or obligations fiscal year 1968 to date	Budget esti- mates, 1969	House bill, 1969
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE II—CREDIT AGENCIES—Con.							
Farmers Home Administration—Con.							
Salaries and expenses:							
Direct appropriation-----	\$55,988,000	\$59,132,000	\$57,641,000	\$58,319,000	+\$2,331,000	—\$813,000	+\$678,000
Transfer from ACIF-----	(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)	-----	-----	-----
Transfer from other accounts-----	(500,000)	(500,000)	(500,000)	(500,000)	-----	-----	-----
Total, salaries and expenses-----	(53,738,000)	(61,832,000)	(60,391,000)	(61,069,000)	(+2,331,000)	(—813,000)	(+678,000)
Total, new budget (obligational) au- thority, Farmers Home Administra- tion-----	854,356,000	517,982,000	90,741,000	92,919,000	—761,437,000	—425,063,000	+2,178,000
Total, title II, credit agencies-----	1,301,413,000	954,919,000	527,546,000	554,724,000	—746,689,000	—400,195,000	+27,178,000
TITLE III—CORPORATIONS							
Federal Crop Insurance Corporation, adminis- trative and operating expenses:							
Appropriation-----	10,208,000	12,000,000	10,487,000	12,000,000	+1,792,000	-----	+1,513,000
Premium income-----	(2,850,000)	(1,430,000)	(2,850,000)	(1,430,000)	(—1,420,000)	-----	(—1,420,000)
Total, FCIC-----	(13,058,000)	(13,430,000)	(13,337,000)	(13,430,000)	(+372,000)	-----	(+98,000)

Commodity Credit Corporation:					
Contract authorization.....	988,860,000			-988,860,000	
Liquidating appropriation.....		(350,467,000)	(350,467,000)	(+350,467,000)	
Reimbursement for net realized losses.....	1,400,000,000	3,298,039,000	2,837,645,500	+1,437,645,500	-400,303,500
Total, appropriation.....	9 (2,388,860,000)	(3,643,506,000)	(3,188,112,500)	(+799,252,500)	(-460,593,500)
Limitation on administrative expenses.....	(31,500,000)	(31,500,000)	(31,500,000)		
Public Law 480:					
Sales, title I.....	1,305,500,000	361,537,000	100,000,000	-1,205,500,000	-261,537,000
Donations, title II.....	300,000,000	556,606,000	200,000,000	-100,000,000	-356,606,000
Total, Public Law 480.....	1,605,500,000	918,143,000	300,000,000	-1,305,500,000	-618,143,000
Bartered materials for supplemental stockpile.....	23,000,000			-23,000,000	
Total, new budget (obligational) authority, title III, corporations.....	4,027,568,000	4,228,182,000	3,149,645,500	-877,922,500	-1,078,536,500
TITLE IV—RELATED AGENCIES					
Farm Credit Administration: Limitation on administration expenses.....	(3,224,000)	(3,436,000)	(3,436,000)	(+212,000)	
National Advisory Commission on Food and Fiber.....	175,000			-175,000	
Total, title IV.....	175,000			(-175,000)	
RECAPITULATION					
Title I—General activities.....	1,822,449,700	1,740,878,800	1,831,680,800	+9,231,100	+90,802,000
Title II—Credit agencies.....	1,301,413,000	954,919,000	554,724,000	-746,689,000	-400,195,000
Title III—Corporations.....	4,027,568,000	4,228,182,000	3,149,645,500	-877,922,500	-1,078,536,500
See footnotes at end of table, p. 48.					
					+1,513,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1968 (en- acted to date) ¹	Budget esti- mates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in House bill	Amount recommended by Senate committee for 1969	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations or obligations fiscal year 1968 to date	Budget esti- mates, 1969	House bill, 1969
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RECAPITULATION—Con.							
Title IV—Related agencies							
Total, new budget (obligational) authority	\$175, 000				—\$175, 000		
Consisting of—	7, 151, 605, 700	\$6, 923, 979, 800	\$5, 523, 635, 500	\$5, 536, 050, 300	—1, 615, 555, 400	—\$1, 387, 929, 500	+\$12, 414, 800
1. Appropriations	4, 732, 945, 700	5, 974, 979, 800	4, 879, 635, 500	4, 891, 550, 300	+158, 604, 600	—1, 083, 429, 500	+11, 914, 800
2. Reappropriations	25, 200, 000				—25, 200, 000		
3. Contract authorizations	1, 208, 860, 000	100, 000, 000	220, 000, 000	195, 500, 000	—1, 013, 360, 000	+95, 500, 000	—24, 500, 000
4. Authorizations to spend from debt receipts	1, 184, 600, 000	849, 000, 000	424, 000, 000	449, 000, 000	—735, 600, 000	—400, 000, 000	+25, 000, 000
Memoranda:							
1. Appropriations to liquidate contract authorizations	(220, 000, 000)	(545, 967, 000)	(540, 457, 000)	(540, 457, 000)	(+320, 457, 000)	(—5, 500, 000)	
2. Appropriations, including appropriations for liquidation of contract authorizations	(4, 952, 945, 700)	(6, 520, 946, 800)	(5, 420, 102, 500)	(5, 432, 017, 300)	(+479, 071, 600)	(—1, 088, 929, 500)	(+11, 914, 800)
3. Transfers from sec. 32	(167, 117, 000)	(186, 442, 000)	(186, 442, 000)	(186, 442, 000)	(+19, 325, 000)		

¹ Amounts have not been reduced to reflect reserves established pursuant to Public Law 90-218 (H.J. Res. 888). Proposed supplementals are also excluded.
² Included in amounts shown for sec. 32 funds in table for permanent new (obligational) authority p. 68 of this report.
³ In addition, carryover balances estimated at \$6,715,000 will be available in fiscal 1969.
⁴ In addition, carryover balances estimated at \$5,800,000 will be available in fiscal 1969.
⁵ In addition, carryover balances estimated at \$1,736,000 will be available in fiscal 1969.
⁶ Of the amount provided, \$13,440,250 is placed in reserve to be released only after the inspection activities of this service have been fully coordinated and placed on an efficient and economical operating basis.
⁷ Of the funds provided, \$25,000,000 are placed in reserve to be used only to the extent needed to meet program requirements.
⁸ Budget proposed indefinite appropriation, which was not allowed.
⁹ Includes \$988,860,000 of contract authorization established under authority of basic law rather than in an appropriation bill.

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

[Report No. 1138]

IN THE SENATE OF THE UNITED STATES

MAY 2, 1968

Read twice and referred to the Committee on Appropriations

MAY 24, 1968

Reported by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1969, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quaran-
9 tine and regulatory work: *Provided*, That appropriations
10 hereunder shall be available for field employment pursuant
11 to the second sentence of section 706 (a) of the Organic
12 Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000
13 shall be available for employment under 5 U.S.C. 3109:
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed three for replacement only:
17 *Provided further*, That appropriations hereunder shall be
18 available pursuant to 7 U.S.C. 2225, for the construction,
19 alteration, and repair of buildings and improvements, but
20 unless otherwise provided, the cost of constructing any one
21 building (except headhouses connecting greenhouses) shall
22 not exceed \$25,000, except for six buildings to be constructed
23 or improved at a cost not to exceed \$55,000 each, and the
24 cost of altering any one building during the fiscal year shall
25 not exceed \$7,500 or 7.5 per centum of the cost of the

building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100; ~~\$125,972,500~~ \$131,950,-600, and in addition not to exceed \$15,000,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 shall be transferred to and merged with this appropriation: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That none of the funds appropriated in this Act shall be used to formulate a budget estimate for fiscal 1970 of more than \$15,000,000 for research to be financed by transfer from funds available under section 32 of the Act of August 24, 1935, and pursuant to Public Law 88-250;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for

1 carrying out assigned inspection, quarantine, and regulatory
2 activities, as authorized by law, including expenses pursuant
3 to the Act of February 28, 1947, as amended (21 U.S.C.
4 114b-c), ~~\$85,298,500~~ \$88,239,500, of which \$1,500,000
5 shall be apportioned for use pursuant to section 3679 of the
6 Revised Statutes, as amended, for the control of outbreaks
7 of insects and plant diseases to the extent necessary
8 to meet emergency conditions: *Provided*, That no funds shall
9 be used to formulate or administer a brucellosis eradication
10 program for the current fiscal year that does not require
11 minimum matching by any State of at least 40 per centum:
12 *Provided further*, That the Secretary is authorized to acquire
13 land for plant quarantine control activities presently located at
14 Presidio, Texas: *Provided further*, That, in addition, in
15 emergencies which threaten the livestock or poultry indus-
16 tries of the country, the Secretary may transfer from other
17 appropriations or funds available to the agencies or corpora-
18 tions of the Department such sums as he may deem neces-
19 sary, to be available only in such emergencies for the arrest
20 and eradication of foot-and-mouth disease, rinderpest, con-
21 tagious pleuropneumonia, or other contagious or infectious
22 diseases of animals, or European fowl pest and similar
23 diseases in poultry, and for expenses in accordance with the
24 Act of February 28, 1947, as amended, and any unexpended
25 balances of funds transferred under this head in the next pre-

ceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104 (b) (1) and for agricultural and forestry research and other functions related thereto authorized by section 104 (b) (3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704 (b) (1), (3)), to remain available until expended, \$4,500,000; and in addition, the June 30, 1968 unexpended balance of funds appropriated to the President in the Supplemental Appropriation Act, 1959 (Public Law 85-766, approved August 27, 1958) under the heading

1 “Translation of publications and scientific cooperation” shall
 2 be merged with this appropriation: *Provided*, That this
 3 appropriation shall be available, in addition to other ap-
 4 propriations for these purposes, for payments in the foregoing
 5 currencies: *Provided further*, That funds appropriated herein
 6 shall be used for payments in such foreign currencies as the
 7 Department determines are needed and can be used most
 8 effectively to carry out the purposes of this paragraph: *Pro-*
 9 *vided further*, That not to exceed \$25,000 of this appropria-
 10 tion shall be available for payments in foreign currencies for
 11 expenses of employment pursuant to the second sentence of
 12 section 706 (a) of the Organic Act of 1944 (7 U.S.C.
 13 2225), as amended by 5 U.S.C. 3109.

14 COOPERATIVE STATE RESEARCH SERVICE

15 PAYMENTS AND EXPENSES

16 For payments to agricultural experiment stations, for
 17 grants for cooperative forestry and other research, for facili-
 18 ties, and for other expenses, including ~~\$51,113,000~~ \$54,-
 19 965,000 to carry into effect the provisions of the Hatch Act,
 20 approved March 2, 1887, as amended by the Act approved
 21 August 11, 1955 (7 U.S.C. 361a-361i), including adminis-
 22 tration by the United States Department of Agriculture;
 23 ~~\$3,370,000~~ \$3,485,000 for grants for cooperative forestry
 24 research under the Act approved October 10, 1962 (16

1 U.S.C. 582a—582a-7) ; ~~\$1,800,000~~ *\$2,000,000* in addition
 2 to funds otherwise available for contracts and grants for
 3 scientific research under the Act of August 4, 1965 (7
 4 U.S.C. 450i), of which \$1,000,000 shall be for the special
 5 cotton research program and \$400,000 for soybean research;
 6 ~~\$2,000,000 for grants for facilities under the Act approved~~
 7 ~~July 22, 1963 (7 U.S.C. 390-390k)~~; \$310,000 for penalty
 8 mail costs of agricultural experiment stations under section 6
 9 of the Hatch Act of 1887, as amended; and \$365,000, for
 10 necessary expenses of the Cooperative State Research Serv-
 11 ice, including administration of payments to State agricul-
 12 tural experiment stations, funds for employment pursuant to
 13 the second sentence of section 706 (a) of the Organic Act of
 14 1944 (7 U.S.C. 2225), and not to exceed \$50,000 for em-
 15 ployment under 5 U.S.C. 3109; in all, ~~\$58,958,000~~
 16 *\$61,125,000*.

17 EXTENSION SERVICE

18 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

19 Payments to States and Puerto Rico: For payments for
 20 cooperative agricultural extension work under the Smith-
 21 Lever Act, as amended by the Act of June 26, 1953, the
 22 Act of August 11, 1955, and the Act of October 5, 1962 (7
 23 U.S.C. 341-349), to be distributed under sections 3 (b) and

1 3 (c) of the Act, ~~\$77,082,500~~ \$80,467,000; and payments
2 and contracts for such work under section 204 (b)–205 of
3 the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–
4 1624), \$1,450,000; in all, ~~\$78,532,500~~ \$81,917,500: *Pro-*
5 *vided*, That funds hereby appropriated pursuant to section
6 3 (c) of the Act of June 26, 1953, shall not be paid to any
7 State or Puerto Rico prior to availability of an equal sum
8 from non-Federal sources for expenditure during the current
9 fiscal year.

10 Retirement and Employees' Compensation costs for ex-
11 tension agents: For cost of employer's share of Federal re-
12 tirement and for reimbursement for benefits paid from the
13 Employees' Compensation Fund for cooperative extension
14 employees, ~~\$8,818,500~~ \$9,333,500.

15 Penalty mail: For costs of penalty mail for cooperative
16 extension agents and State extension directors, \$3,299,000.

17 Federal Extension Service: For administration of the
18 Smith-Lever Act, as amended by the Act of June 26, 1953,
19 the Act of August 11, 1955, and the Act of October 5, 1962
20 (7 U.S.C. 341–349), and extension aspects of the Agri-
21 cultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and
22 to coordinate and provide program leadership for the exten-
23 sion work of the Department and the several States and
24 insular possessions, \$2,838,000.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), \$1,341,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$114,893,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunc-

tion with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C.

1 1001-1008), to remain available until expended, \$6,165,-
2 000, with which shall be merged the unexpended balances
3 of funds heretofore appropriated under this head: *Provided*,
4 That this appropriation shall be available for field employ-
5 ment pursuant to the second sentence of section 706 (a)
6 of the Organic Act of 1944 (7 U.S.C. 2225), and not to
7 exceed \$50,000 shall be available for employment under
8 5 U.S.C. 3109.

9 WATERSHED PROTECTION

10 For necessary expenses to conduct river basin surveys
11 and investigations, and research, and to carry out preventive
12 measures, including, but not limited to, engineering opera-
13 tions, methods of cultivation, the growing of vegetation, and
14 changes in use of land, in accordance with the Watershed
15 Protection and Flood Prevention Act, approved August 4,
16 1954, as amended (16 U.S.C. 1001-1008), and the pro-
17 visions of the Act of April 27, 1935 (16 U.S.C. 590a-f),
18 to remain available until expended; \$65,000,000, with
19 which shall be merged the unexpended balances of funds
20 heretofore appropriated or transferred to the Department
21 for watershed protection purposes: *Provided*, That this ap-
22 propriation shall be available for field employment pursuant
23 to the second sentence of section 706(a) of the Organic
24 Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000
25 shall be available for employment under 5 U.S.C. 3109:

1 *Provided further, That \$3,000,000 of the funds in the direct*
2 *loan account of the Farmers Home administration shall be*
3 *available until expended for loans.*

4 *River Basin Surveys and Investigations*

5 *For necessary expenses to conduct research, investiga-*
6 *tions and surveys of the watersheds of rivers and other*
7 *waterways, in accordance with section 6 of the Watershed*
8 *Protection and Flood Prevention Act, approved August 4,*
9 *1954, as amended (16 U.S.C. 1006), to remain available*
10 *until expended; \$8,780,000, with which shall be merged*
11 *the unexpended balances of funds heretofore appropriated to*
12 *the Department for river basin survey purposes: Provided,*
13 *That this appropriation shall be available for field employ-*
14 *ment pursuant to the second sentence of section 706(a) of*
15 *the Organic Act of 1944 (7 U.S.C. 2225), and not to ex-*
16 *ceed \$60,000 shall be available for employment under 5*
17 *U.S.C. 3109.*

18 *Works of Improvement*

19 *For necessary expenses to carry out preventive meas-*
20 *ures, including, but not limited to research, engineering opera-*
21 *tions, methods of cultivation, the growing of vegetation, and*
22 *changes in use of land, in accordance with the Watershed*
23 *Protection and Flood Prevention Act, approved August 4,*
24 *1954, as amended (16 U.S.C. 1001-1005, 1007-*
25 *1008), and the provisions of the Act of April 27, 1935*

1 (16 U.S.C. 590a-f), to remain available until expended;
 2 \$57,907,000, with which shall be merged the unexpended
 3 balances of funds heretofore appropriated or transferred to
 4 the Department for watershed protection purposes: Pro-
 5 vided, That this appropriation shall be available for field
 6 employment pursuant to the second sentence of section
 7 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and
 8 not to exceed \$100,000 shall be available for employment
 9 under 5 U.S.C. 3109: Provided further, That \$3,000,000
 10 of the funds in the direct loan account of the Farmers Home
 11 Administration shall be available until expended for loans.

12 FLOOD PREVENTION

13 For necessary expenses, in accordance with the Flood
 14 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
 15 16 U.S.C. 1006a), as amended and supplemented, and in
 16 accordance with the provisions of laws relating to the activi-
 17 ties of the Department, to perform works of improvement,
 18 including funds for field employment pursuant to the second
 19 sentence of section 706(a) of the Organic Act of 1944
 20 (7 U.S.C. 2225), and not to exceed \$100,000 for employ-
 21 ment under 5 U.S.C. 3109, to remain available until ex-
 22 pended; ~~\$20,000,000~~ \$17,500,000, with which shall be
 23 merged the unexpended balances of funds heretofore appro-
 24 priated or transferred to the Department for flood prevention
 25 purposes: *Provided*, That \$400,000 of funds in the direct

1 loan account of the Farmers Home Administration shall be
2 available until expended for loans.

3 GREAT PLAINS CONSERVATION PROGRAM

4 For necessary expenses to carry into effect a program of
5 conservation in the Great Plains area, pursuant to section 16
6 (b) of the Soil Conservation and Domestic Allotment Act,
7 as added by the Act of August 7, 1956 (16 U.S.C. 590p),
8 \$16,000,000, to remain available until expended.

9 RESOURCE CONSERVATION AND DEVELOPMENT

10 For necessary expenses in planning and carrying out
11 projects for resource conservation and development, and for
12 sound land use, pursuant to the provisions of section 32 (e)
13 of title III of the Bankhead-Jones Farm Tenant Act, as
14 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-f), ~~\$6,-~~
16 ~~256,000~~ \$6,474,000, to remain available until expended:
17 *Provided*, That \$1,500,000 of the funds available in the direct
18 loan account of the Farmers Home Administration shall be
19 available for loans under subtitle A of the Consolidated Farm-
20 ers Home Administration Act of 1961, as amended, to re-
21 main available until expended: *Provided further*, That this
22 appropriation shall be available for field employment pur-
23 suant to the second sentence of section 706 (a) of the Organic
24 Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000
25 shall be available for employment under 5 U.S.C. 3109.

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; ~~\$12,789,000~~ \$13,089,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C.

1 2225), and not to exceed \$75,000 shall be available for
2 employment under 5 U.S.C. 3109: *Provided further*, That
3 not less than \$145,000 of the funds contained in this appro-
4 priation shall be available for analysis of statistics and related
5 facts on foreign production and full and complete informa-
6 tion on methods used by other countries to move farm
7 commodities in world trade on a competitive basis.

8 STATISTICAL REPORTING SERVICE

9 SALARIES AND EXPENSES

10 For necessary expenses of the Statistical Reporting Serv-
11 ice in conducting statistical reporting and service work, in-
12 cluding crop and livestock estimates, statistical coordination
13 and improvements, and marketing surveys, as authorized by
14 the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
15 1627) and other laws, ~~\$14,184,500~~ \$14,467,500: *Pro-*
16 *vided*, That no part of the funds herein appropriated shall
17 be available for any expense incident to publishing estimates
18 of apple production for other than the commercial crop:
19 *Provided further*, That this appropriation shall be available
20 for employment pursuant to the second sentence of section
21 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and
22 not to exceed \$40,000 shall be available for employment
23 under 5 U.S.C. 3109.

1 CONSUMER AND MARKETING SERVICE

2 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY
3 PROGRAMS

4 For expenses necessary to carry on services related to
5 consumer protection, agricultural marketing and distribution,
6 and regulatory programs, other than Packers and Stockyards
7 Act, as authorized by law, and for administration and co-
8 ordination of payments to States; including field employment
9 pursuant to section 706 (a) of the Organic Act of 1944
10 (7 U.S.C. 2225), and not to exceed \$25,000 for employment
11 under 5 U.S.C. 3109, in carrying out section 201 (a) to
12 201 (d), inclusive, of title II of the Agricultural Adjustment
13 Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the
14 Agricultural Marketing Act of 1946; ~~\$118,989,500~~ \$116-
15 314,500, of which \$13,440,250 shall be placed in reserve to
16 be released only after the inspection activities of this service
17 have been fully coordinated and placed on an efficient and
18 economical operating basis: *Provided*, That this appropria-
19 tion shall be available pursuant to law (7 U.S.C. 2225) for
20 the alteration and repair of buildings and improvements,
21 but, unless otherwise provided, the cost of altering any one
22 building during the fiscal year shall not exceed \$7,500 or

1 7.5 per centum of the cost of the building, whichever is
2 greater.

3 PAYMENTS TO STATES AND POSSESSIONS

4 For payments to departments of agriculture, bureaus
5 and departments of markets, and similar agencies for mar-
6 keting activities under section 204 (b) of the Agricultural
7 Marketing Act of 1946 (7 U.S.C. 1623 (b)), \$1,750,000.

8 SPECIAL MILK PROGRAM

9 For necessary expenses to carry out the Special Milk
10 Program, as authorized by the Child Nutrition Act of 1966
11 (42 U.S.C. 1772), \$104,000,000, to be transferred from
12 funds available under section 32 of the Act of August 24,
13 1935 (7 U.S.C. 612c).

14 SCHOOL LUNCH PROGRAM

15 For necessary expenses to carry out the provisions of
16 the National School Lunch Act, as amended (42 U.S.C.
17 1751-1760) and the applicable provisions of the Child
18 Nutrition Act of 1966 (42 U.S.C. 1773-1785), ~~\$182,825,-~~
19 ~~000~~ \$173,349,000, including ~~\$5,000,000~~ \$7,500,000 for spe-
20 cial assistance to needy schools, ~~\$3,500,000~~ \$4,500,000 for
21 the pilot school breakfast program, ~~\$750,000~~ \$2,000,000
22 for the nonfood assistance program: *Provided*, That no part
23 of this appropriation shall be used for nonfood assistance
24 under section 5 of the National School Lunch Act, as
25 amended: *Provided further*, That \$64,325,000 shall be

1 transferred to this appropriation from funds available under
2 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),
3 for purchase and distribution of agricultural commodities
4 and other foods pursuant to section 6 of the National School
5 Lunch Act.

6 FOOD STAMP PROGRAM

7 For necessary expenses of the food stamp program pur-
8 suant to the Food Stamp Act of 1964, as amended, \$225,-
9 000,000, of which \$25,000,000 shall be placed in reserve to
10 be used only to the extent required during the current fiscal
11 year after various corrections are made in the handling
12 of the program: *Provided, That not to exceed \$2,500,000 of*
13 *this appropriation shall be available for the payment of obli-*
14 *gations incurred under the appropriation for similar purposes*
15 *for the preceding fiscal year.*

16 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

17 (SECTION 32)

18 No funds available under section 32 of the Act of August
19 24, 1935 (7 U.S.C. 612c) shall be used for any purpose
20 other than commodity program expenses as authorized there-
21 in, and other related operating expenses, except for (1)
22 transfers to the Department of the Interior as authorized by
23 the Fish and Wildlife Act of August 8, 1956, (2) transfers
24 otherwise provided in this Act, and (3) not more than

1 \$2,950,000 for formulation and administration of marketing
2 agreements and orders pursuant to the Agricultural Mar-
3 keting Agreement Act of 1937, as amended, and the Agri-
4 cultural Act of 1961.

5 FOREIGN AGRICULTURAL SERVICE

6 SALARIES AND EXPENSES

7 For necessary expenses for the Foreign Agricultural
8 Service, including carrying out title VI of the Agricultural
9 Act of 1954 (7 U.S.C. 1761-1768), market development
10 activities abroad, and for enabling the Secretary to coordi-
11 nate and integrate activities of the Department in connection
12 with foreign agricultural work, including not to exceed
13 \$35,000 for representation allowances and for expenses
14 pursuant to section 8 of the Act approved August 3, 1956
15 (7 U.S.C. 1766), ~~\$21,153,800~~ \$21,928,800: *Provided,*
16 That not less than \$255,000 of the funds contained in this
17 appropriation shall be available to obtain statistics and re-
18 lated facts on foreign production and full and complete infor-
19 mation on methods used by other countries to move farm
20 commodities in world trade on a competitive basis: *Provided*
21 *further,* That, in addition, not to exceed \$3,117,000 of the
22 funds appropriated by section 32 of the Act of August 24,
23 1935, as amended (7 U.S.C. 612c), shall be merged with
24 this appropriation and shall be available for all expenses of
25 the Foreign Agricultural Service.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$1,530,000.

AGRICULTURAL STABILIZATION AND CONSERVATION

SERVICE

EXPENSES, AGRICULTURAL STABILIZATION AND

CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$141,031,400: *Provided*, That, in addition, not to exceed \$62,764,100 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$27,205,000 under the limitation on Commod-

ity Credit Corporation administrative expenses) : *Provided*
 further, That other funds made available to the Agricultural
 Stabilization and Conservation Service for authorized activ-
 ities may be advanced to and merged with this appropriation:
Provided further, That no part of the funds appropriated or
 made available under this Act shall be used (1) to influence
 the vote in any referendum; (2) to influence agricultural
 legislation, except as permitted in 18 U.S.C. 1913; or (3)
 for salaries or other expenses of members of county and
 community committees established pursuant to section 8 (b)
 of the Soil Conservation and Domestic Allotment Act, as
 amended, for engaging in any activities other than advisory
 and supervisory duties and delegated program functions pre-
 scribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provi-
 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
~~\$80,000,000~~ \$82,000,000, to remain available until June 30
 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program
 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
 Conservation and Domestic Allotment Act, approved Feb-
 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
 590p (a), and 590q), including not to exceed \$6,000 for the

1 preparation and display of exhibits, including such displays
2 at State, interstate, and international fairs within the United
3 States, \$190,000,000, to remain available until December 31
4 of the next succeeding fiscal year for compliance with the
5 programs of soil-building and soil- and water-conserving
6 practices authorized under this head in the Department of
7 Agriculture and Related Agencies Appropriation Acts, 1967
8 and 1968, carried out during the period July 1, 1966, to
9 December 31, 1968, inclusive: *Provided*, That none of the
10 funds herein appropriated shall be used to pay the salaries or
11 expenses of any regional information employees or any State
12 information employees, but this shall not preclude the an-
13 swering of inquiries or supplying of information at the county
14 level to individual farmers: *Provided further*, That no por-
15 tion of the funds for the current year's program may be
16 utilized to provide financial or technical assistance for drain-
17 age on wetlands now designated as Wetland Types 3 (III),
18 4 (IV), and 5 (V) in United States Department of the
19 Interior, Fish and Wildlife Circular 39, Wetlands of the
20 United States, 1956: *Provided further*, That necessary
21 amounts shall be available for administrative expenses in
22 connection with the formulation and administration of the
23 1969 program of soil-building and soil- and water-conserving
24 practices, including related wildlife conserving practices, un-
25 der the Act of February 29, 1936, as amended (amounting

1 to ~~\$220,000,000~~ \$195,500,000, excluding administration, ex-
2 cept that no participant shall receive more than \$2,500, ex-
3 cept where the participants from two or more farms or
4 ranches join to carry out approved practices designed to con-
5 serve or improve the agricultural resources of the com-
6 munity): *Provided further*, That not to exceed 5 per
7 centum of the allocation for the current year's agricultural
8 conservation program for any county may, on the recom-
9 mendation of such county committee and approval of
10 the State committee, be withheld and allotted to the Soil
11 Conservation Service for services of its technicians in formu-
12 lating and carrying out the agricultural conservation pro-
13 gram in the participating counties, and shall not be utilized
14 by the Soil Conservation Service for any purpose other
15 than technical and other assistance in such counties, and in
16 addition, on the recommendation of such county com-
17 mittee and approval of the State committee, not to ex-
18 ceed 1 per centum may be made available to any other
19 Federal, State, or local public agency for the same purpose
20 and under the same conditions: *Provided further*, That for
21 the current year's program \$2,500,000 shall be available for
22 technical assistance in formulating and carrying out agricul-
23 tural conservation practices: *Provided further*, That such
24 amounts shall be available for the purchase of seeds, fertil-
25 izers, lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricultural
2 producers to aid them in carrying out farming practices ap-
3 proved by the Secretary under programs provided for herein:
4 *Provided further*, That no part of any funds available to the
5 Department, or any bureau, office, corporation, or other
6 agency constituting a part of such Department, shall be used
7 in the current fiscal year for the payment of salary or travel
8 expenses of any person who has been convicted of violating
9 the Act entitled "An Act to prevent pernicious political
10 activities", approved August 2, 1939, as amended, or who
11 has been found in accordance with the provisions of title 18,
12 United States Code, section 1913, to have violated or at-
13 tempted to violate such section which prohibits the use of
14 Federal appropriations for the payment of personal services
15 or other expenses designed to influence in any manner a
16 Member of Congress to favor or oppose any legislation or
17 appropriation by Congress except upon request of any Mem-
18 ber or through the proper official channels.

19 CROPLAND ADJUSTMENT PROGRAM

20 For necessary expenses to carry into effect a cropland
21 adjustment program as authorized by the Food and Agri-
22 culture Act of 1965 (7 U.S.C. 1838), ~~\$84,500,000~~ \$85,-
23 700,000: *Provided*, That agreements entered into during the
24 fiscal year 1969 shall not require payments during the calen-
25 dar year 1969 exceeding \$30,500,000.

1 CONSERVATION RESERVE PROGRAM

2 For necessary expenses to carry out a conservation
3 reserve program as authorized by subtitles B and C of the
4 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
5 1816), and to carry out liquidation activities for the acreage
6 reserve program, to remain available until expended, \$109,-
7 000,000, with which may be merged the unexpended bal-
8 ances of funds heretofore appropriated for soil bank pro-
9 grams: *Provided*, That no part of these funds shall be paid
10 on any contract which is illegal under the law due to the
11 division of lands for the purpose of evading limits on annual
12 payments to participants.

13 EMERGENCY CONSERVATION MEASURES

14 For emergency conservation measures, to be used for the
15 same purposes and subject to the same conditions as funds
16 appropriated under this head in the Third Supplemental Ap-
17 propriation Act, 1957, to remain available until expended,
18 \$5,000,000, with which shall be merged the unexpended
19 balances of funds heretofore appropriated for emergency con-
20 servation measures.

21 RURAL COMMUNITY DEVELOPMENT SERVICE

22 SALARIES AND EXPENSES

23 For necessary expenses, not otherwise provided for, of the
24 Rural Community Development Service in providing leader-

1 ship and related services in carrying out the rural areas
 2 development activities of the Department, \$463,000: *Pro-*
 3 *vided*, That not to exceed \$3,000 shall be available for em-
 4 ployment under 5 U.S.C. 3109.

5 OFFICE OF THE INSPECTOR GENERAL

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Inspector
 8 General, including employment pursuant to the second sen-
 9 tence of section 706 (a) of the Organic Act of 1944 (7
 10 U.S.C. 2225), and not to exceed \$10,000 for employment
 11 under 5 U.S.C. 3109, ~~\$12,276,000~~ \$12,576,000.

12 PACKERS AND STOCKYARDS ADMINISTRATION

13 SALARIES AND EXPENSES

14 For expenses necessary for administration of the Packers
 15 and Stockyards Act, as authorized by law, including field
 16 employment pursuant to section 706 (a) of the Organic Act of
 17 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for
 18 employment under 5 U.S.C. 3109, ~~\$2,565,200~~ \$3,065,-
 19 300.

20 OFFICE OF THE GENERAL COUNSEL

21 SALARIES AND EXPENSES

22 For necessary expenses, including payment of fees or
 23 dues for the use of law libraries by attorneys in the field
 24 service, ~~\$4,461,000~~ \$4,761,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, ~~\$1,965,000~~ \$1,997,000, of which total appropriation not to exceed \$587,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109.

1 NATIONAL AGRICULTURAL LIBRARY

2 SALARIES AND EXPENSES

3 For necessary expenses of the National Agricultural
4 Library, ~~\$3,166,500~~ \$3,419,000: *Provided*, That this appro-
5 priation shall be available for employment pursuant to the
6 second sentence of section 706 (a) of the Organic Act of
7 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be
8 available for employment under 5 U.S.C. 3109.

9 OFFICE OF MANAGEMENT SERVICES

10 SALARIES AND EXPENSES

11 For necessary expenses to enable the Office of Manage-
12 ment Services to provide management support services to
13 selected agencies and offices of the Department of Agricul-
14 ture, ~~\$2,821,000~~ \$2,862,200.

15 GENERAL ADMINISTRATION

16 SALARIES AND EXPENSES

17 For necessary expenses of the Office of the Secretary
18 of Agriculture and for general administration of the Depart-
19 ment of Agriculture, repairs and alterations, and other mis-
20 cellaneous supplies and expenses not otherwise provided for
21 and necessary for the practical and efficient work of the
22 Department of Agriculture, and not to exceed \$5,000 for
23 employment under 5 U.S.C. 3109, \$4,614,000: *Provided*,
24 That this appropriation shall be reimbursed from applicable

1 appropriations for travel expenses incident to the holding
 2 of hearings as required by 5 U.S.C. 551-558: *Provided*
 3 *further*, That not to exceed \$2,500 of this amount shall be
 4 available for official reception and representation expenses,
 5 not otherwise provided for, as determined by the Secretary.

6 TITLE II—CREDIT AGENCIES

7 RURAL ELECTRIFICATION ADMINISTRATION

8 To carry into effect the provisions of the Rural Electri-
 9 fication Act of 1936, as amended (7 U.S.C. 901-924), as
 10 follows:

11 LOAN AUTHORIZATIONS

12 For loans in accordance with said Act, and for carrying
 13 out the provisions of section 7 thereof, to be borrowed from
 14 the Secretary of the Treasury in accordance with the pro-
 15 visions of section 3 (a) of said Act, and to remain available
 16 without fiscal year limitation in accordance with section 3 (e)
 17 of said Act, as follows: rural electrification program,
 18 ~~\$304,000,000~~ \$329,000,000, and rural telephone program,
 19 \$120,000,000.

20 SALARIES AND EXPENSES

21 For administrative expenses, including not to exceed
 22 \$500 for financial and credit reports, funds for employment
 23 pursuant to the second sentence of section 706 (a) of the
 24 Organic Act of 1944 (7 U.S.C. 2225), and not to exceed
 25 \$150,000 for employment under 5 U.S.C. 3109, \$12,805,-
 26 000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$83,000,000; and operating loans, \$250,000,000 \$300,000,000.

RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518 (d) of the Housing Act of 1949 (42 U.S.C. 1488), \$15,000,000 \$30,000,000 shall be available from funds in the rural housing direct loan account: ~~Provided, That farmer applicants for housing loans shall be required to offer only such collateral security as is required of owners of nonfarm tracts.~~

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306 (a) (2) and 306 (a) (6) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), \$28,000,000.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act,

1 as amended (7 U.S.C. 1010, 1011 (e)), \$1,600,000, to
2 remain available until expended.

3 RURAL HOUSING FOR DOMESTIC FARM LABOR

4 For financial assistance to public nonprofit organizations
5 for housing for domestic farm labor, pursuant to section 516
6 of the Housing Act of 1949, as amended (42 U.S.C. 1486),
7 ~~\$3,500,000~~ \$5,000,000, to remain available until expended.

8 SALARIES AND EXPENSES

9 For necessary expenses of the Farmers Home Adminis-
10 tration, not otherwise provided for, in administering the pro-
11 grams authorized by the Consolidated Farmers Home Admin-
12 istration Act of 1961 (7 U.S.C. 1921-1990), as amended,
13 title V of the Housing Act of 1949, as amended (42 U.S.C.
14 1471-1490), and the Rural Rehabilitation Corporation
15 Trust Liquidation Act, approved May 3, 1950 (40 U.S.C.
16 440-444), ~~\$57,461,000~~ \$58,319,000 together with not more
17 than \$2,250,000 of the charges collected in connection with
18 the insurance of loans as authorized by section 309 (e) of
19 the Consolidated Farmers Home Administration Act of 1961,
20 as amended, and section 514 (b) (3) of the Housing Act of
21 1949, as amended: *Provided*, That, in addition, not to exceed
22 \$500,000 of the funds available for the various programs
23 administered by this agency may be transferred to this ap-
24 propriation for temporary field employment pursuant to the

1 second sentence of section 706 (a) of the Organic Act of 1944
 2 (7 U.S.C. 2225) to meet unusual or heavy workload increases:
 3 *Provided further*, That no part of any funds in this paragraph
 4 may be used to administer a program which makes rural
 5 housing grants pursuant to section 504 of the Housing Act
 6 of 1949, as amended.

7 TITLE III—CORPORATIONS

8 The following corporations and agencies are hereby au-
 9 thorized to make such expenditures, within the limits of funds
 10 and borrowing authority available to each such corporation
 11 or agency and in accord with law, and to make such con-
 12 tracts and commitments without regard to fiscal year limita-
 13 tions as provided by section 104 of the Government Corpora-
 14 tion Control Act, as amended, as may be necessary in carry-
 15 ing out the programs set forth in the budget for the current
 16 fiscal year for such corporation or agency, except as herein-
 17 after provided:

18 FEDERAL CROP INSURANCE CORPORATION

19 ADMINISTRATIVE AND OPERATING EXPENSES

20 For administrative and operating expenses, ~~\$10,487,000~~
 21 ~~\$12,000,000~~.

22 FEDERAL CROP INSURANCE CORPORATION FUND

23 Not to exceed ~~\$2,850,000~~ ~~\$1,430,000~~ of administrative
 24 and operating expenses may be paid from premium income.

1 COMMODITY CREDIT CORPORATION

2 REIMBURSEMENT FOR NET REALIZED LOSSES

3 To partially reimburse the Cominodity Credit Corpora-
4 tion for net realized losses sustained but not previously re-
5 imbursed, pursuant to the Act of August 17, 1961 (15
6 U.S.C. 713a-11, 713a-12), \$3,188,112,500, of which
7 \$350,467,000 is for liquidation of contract authorization:
8 *Provided*, That no funds appropriated by this Act shall be
9 used to formulate or administer programs for the sale of agri-
10 cultural commodities pursuant to title I of Public Law 480,
11 83d Congress, as amended, to any nation which sells or
12 furnishes or which permits ships or aircraft under its regis-
13 try to transport to North Vietnam any equipment, materials
14 or commodities, so long as North Vietnam is governed by
15 a Communist regime.

16 LIMITATION ON ADMINISTRATIVE EXPENSES

17 Nothing in this Act shall be so construed as to prevent
18 the Commodity Credit Corporation from carrying out any
19 activity or any program authorized by law: *Provided*, That
20 not to exceed \$31,500,000 shall be available for administra-
21 tive expenses of the Corporation: *Provided further*, That
22 \$945,000 of this authorization shall be available only to
23 expand and strengthen the sales program of the Corporation
24 pursuant to authority contained in the Corporation's charter:
25 *Provided further*, That not less than 7 per centum of this

1 authorization shall be placed in reserve to be apportioned
2 pursuant to section 3679 of the Revised Statutes, as amended.
3 for use only in such amounts and at such times as may be-
4 come necessary to carry out program operations: *Provided*
5 *further*, That all necessary expenses (including legal and
6 special services performed on a contract or fee basis, but not
7 including other personal services) in connection with the
8 acquisition, operation, maintenance, improvement, or disposi-
9 tion of any real or personal property belonging to the Cor-
10 poration or in which it has an interest, including expenses of
11 collections of pledged collateral, shall be considered as non-
12 administrative expenses for the purposes hereof.

13 PUBLIC LAW 480

14 For expenses during fiscal year 1969, not otherwise re-
15 coverable, and unrecovered prior years' costs, including in-
16 terest thereon, under the Agricultural Trade Development
17 and Assistance Act of 1954, as amended (7 U.S.C. 1701-
18 1710, 1721-1725, 1731-1736d), to remain available until
19 expended, as follows: (1) sale of agricultural commodities
20 for foreign currencies and for dollars on credit terms pursuant
21 to title I of said Act, \$100,000,000: *Provided*, That any
22 unexpended balances of appropriations heretofore available
23 under this heading for title I of said Act may be merged with
24 this appropriation; and (2) commodities disposed of and

1 other costs incurred in connection with donations abroad,
2 pursuant to title II of said Act, \$200,000,000.

3 TITLE IV—RELATED AGENCIES

4 FARM CREDIT ADMINISTRATION

5 LIMITATION ON ADMINISTRATIVE EXPENSES

6 Not to exceed \$3,436,000 (from assessments collected
7 from farm credit agencies) shall be obligated during the
8 current fiscal year for administrative expenses.

9 TITLE V—GENERAL PROVISIONS

10 SEC. 501. Within the unit limit of cost fixed by law.
11 appropriations and authorizations made for the Department
12 under this Act shall be available for the purchase, in addi-
13 tion to those specifically provided for, of not to exceed
14 six hundred and twenty-six (626) passenger motor vehicles,
15 of which four hundred and fifty-seven (457) shall be
16 for replacement only, and for the hire of such vehicles.

17 SEC. 502. Provisions of law prohibiting or restricting
18 the employment of aliens shall not apply to employment
19 under the appropriation for the Foreign Agricultural Service.

20 SEC. 503. Funds available to the Department of Agri-
21 culture shall be available for uniforms or allowances therefor
22 as authorized by law (5 U.S.C. 5901-5902).

23 SEC. 504. No part of the funds appropriated by this
24 Act shall be used for the payment of any officer or employee
25 of the Department who, as such officer or employee, or on

1 behalf of the Department or any division, commission, or
2 bureau thereof, issues, or causes to be issued, any prediction,
3 oral or written, or forecast, except as to damage threatened
4 or caused by insects and pests, with respect to future prices
5 of cotton or the trend of same.

6 SEC. 505. Except to provide materials required in or
7 incident to research or experimental work where no suitable
8 domestic product is available, no part of the funds appro-
9 priated by this Act shall be expended in the purchase of
10 twine manufactured from commodities or materials produced
11 outside of the United States.

12 SEC. 506. Not less than \$1,500,000 of the appropria-
13 tions of the Department for research and service work au-
14 thorized by the Acts of August 14, 1946, July 28, 1954, and
15 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C
16 1891-1893), shall be available for contracting in accordance
17 with said Acts.

18 SEC. 507. No part of any appropriation contained in
19 this Act shall remain available for obligation beyond the cur-
20 rent fiscal year unless expressly so provided herein.

21 SEC. 508. None of the funds in this Act shall be available
22 to finance interdepartmental boards, commissions, councils,
23 committees, or similar groups under section 214 of the Inde-
24 pendent Offices Appropriation Act, 1946 (31 U.S.C. 691)

1 which do not have prior and specific Congressional approval
2 of such method of financial support.

3 ~~SEC. 509.~~ Money appropriated in this Act shall be
4 available for expenditure in the fiscal year ending June 30,
5 1969 only to the extent that expenditure thereof shall not
6 result in the net aggregate expenditure of Federal funds by
7 all agencies provided for herein beyond \$6,524,470,897
8 except by those Commodity Credit Corporation expenditures
9 required by law which may exceed budget estimates therefor.

10 ~~SEC. 510~~ *SEC. 509.* No part of the funds appropriated
11 under this Act shall be used to pay salaries of any Federal
12 employee who is convicted in any Federal, State, or local
13 court of competent jurisdiction, of inciting, promoting, or car-
14 rying on a riot, or any group activity resulting in material
15 damage to property or injury to persons, found to be in viola-
16 tion of Federal, State, or local laws designed to protect per-
17 sons or property in the community concerned.

18 This Act may be cited as the "Department of Agricul-
19 ture and Related Agencies Appropriation Act, 1969".

Passed the House of Representatives May 1, 1968.

Attest:

W. PAT JENNINGS.

Clerk.

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[Report No. 1138]

AN ACT

Making appropriations for the Department of
Agriculture and related agencies for the
fiscal year ending June 30, 1969, and for
other purposes.

MAY 2, 1968

Read twice and referred to the Committee on
Appropriations

MAY 24, 1968

Reported with amendments

INDEX of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued May 29, 1968
For actions of May 28, 1968
90th-2nd; No. 92

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HIGHLIGHTS: Senate debated agricultural appropriation bill. Senate passed housing bill.

SENATE

1. APPROPRIATIONS. Began debate on H. R. 16913, the agricultural appropriation bill (pp. S6561, S6584-601). Adopted the committee amendments en bloc for the purpose of further amendment (pp. S6595-6). Unanimous consent was granted that today, May 29, the debate on any amendment would be limited to 1 hour (p. S6584). Sens. Holland and Williams filed notice of intention to move for suspension of the rules for purpose of proposing an amendment to the bill (p. S6561). Pending at adjournment was an amendment by Sen. Hart for increased amounts over the committee approved bill for the school lunch program as follows: For special assistance to needy schools +\$2.5 million (total of \$10 million); for pilot school breakfast program + \$2 million (total of \$6.5 million); for non-food assistance +\$4.5 million (total of \$6.5 million); and for State administrative expenses +\$2.3 million (total of \$2.3 million)(p. S6596).

2. HOUSING. Passed, 67-4, with amendments, S. 3497, the proposed Housing and Urban Development Act of 1968 (pp. S6489, S6490-1, S6493-516, S6518-54). Amendments agreed to include the following: By Sen. Bayh to remove certain restrictions on the eligibility of applicants for certain FHA disaster relief loans (limited not to exceed \$30,000) due to serious damage resulting from major disasters (p. S6522); by Sen. Metcalf to extend certain SBA disaster relief programs to the Trust Territory of the Pacific Islands (p. S6525); by Sen. Bayh, to provide that one may not receive benefits from disaster relief provisions if he is convicted of having taken part in a riot (pp. S6515); by Sen. Bayh to provide temporary housing for victims of major disasters (pp. S6519-20); by Sen. Proxmire, to add language to improve technology in development of housing for lower income families (pp. S613-4), and by Sen. Hart to require the use of new technology in construction to the greatest extent feasible (pp. S6520-1); by Sen. Javits, to require consultation with the Department of Labor and SBA so that to the greatest extent possible employment opportunities be made available for lower income persons in connection with assisted projects (pp. S6510-12), and by Sen. Clark, to provide that to the extent possible new job opportunity be provided for the unemployed and underemployed in connection with water and sewer facilities projects (pp. S6514-5).

Sen. Pearson commended the rural housing provisions of the bill (pp. S6549-50). He also submitted, then withdrew, an amendment which would have amended the Housing Act of 1949 to increase the ceiling that the Farmers Home Administration might include in a housing project in a rural area (p. S6507).

For other provisions of S. 3497, see Digest 86

3. TRANSPORTATION. The Commerce Committee reported with amendments S. 752, to amend section 203(b)(5) of the Interstate Commerce Act to clarify this exemption with respect to transportation performed by agricultural cooperative associations for nonmembers (S. Rept. 1152). p. S6558

Conferees were appointed on H. R. 15190, to provide for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans. p. S6504

4. WATER. Passed with amendment S. 224, to provide for rehabilitation of the Ek-lutna project, Alaska. At the request of Sen. Mansfield the following excerpt

all or any part of the proposed plan of operation, the Association is given another thirty days to devise an acceptable alternative. If it does not, the Commissioner is authorized to promulgate a plan of operation.

Paragraph (3) of subsection (c) provides for the amendment of the plan of operation.

Subsection (d) provides that all members of the Association shall participate in its writings, expenses, profits, and losses, or in such categories thereof as may be separately established by the Association, in accordance with such formula as may be devised by the Association, subject to approval by the Commissioner.

Subsection (e) provides that the Association is to be governed by a Board of eleven directors, elected annually, by cumulative voting of the members of the Association. The votes of each member of the Association are to be weighed in accordance with the proportionate amount of each member's net direct premiums written in the District of Columbia during the preceding calendar year. The first board is to be elected within thirty days after the Commissioner's order at a meeting of the members at a time and place designated by the Commissioner.

Section 7. Examination by Commissioner

This section provides that the Inspection Bureau, Industry Placement Facility and any Joint Underwriting Association are to be subject to the supervision, regulation and examination by the Commissioner. Further, it authorizes the Commissioner to summon and qualify witnesses under oath with respect to the operation of such facilities.

Section 8. Waiver of liability

This section provides that no cause of action shall arise against insurers, the Inspection Bureau, the Industry Placement Facility, the Joint Underwriting Association, or their agents or employees, or any officer or employee of the District of Columbia, for any statements made in good faith by them concerning the insurability of property. Reports and communications with respect to individual properties are not to be available for public inspection.

Section 9. Annual report by association

This section requires the Joint Underwriting Association to file an annual report with the Commissioner containing information with respect to its transactions, condition, operations and affairs during the preceding year and such other information in such form as the Commissioner may prescribe. The Commissioner may also require the Association to furnish him with such information from time to time as he may require to evaluate the scope, operation and experience of the Association.

Section 10. Appeals

Subsection (a) permits any applicant for insurance to any affected insurer ninety days to appeal to the Commissioner any ruling, action or decision by or on behalf of the Inspection Bureau, Industry Placement Facility, or Joint Underwriting Association.

Subsection (b) provides that all final orders or decisions of the Commissioner made pursuant to the act are reviewable by the District of Columbia Court of Appeals.

Section 11. Reimbursement of National Insurance Development Corporation

This section authorizes the Commissioner to assess each insurance company authorized to do business in the District of Columbia to provide a fund sufficient to reimburse the National Insurance Development Corporation in the manner set forth in section 1223 (a) (1) of the National Insurance Development Corporation Act of 1968. The assessment would be based on the proportion the premiums written in the District of Columbia by each such company bears to aggregate premiums written in the District of Columbia during the preceding year on lines

of insurance reinsured by the Corporation during the current year whether or not the particular company was reinsured by the Corporation. Such fund could be added to or created by appropriations.

Section 12. Delegation

This section authorizes the Commissioner to delegate any or all of the functions vested in him by the act.

Section 13. Appropriations

This section authorizes appropriations of such sums as are necessary to carry out the act.

Section 14. Judicial Review

This section would amend section 11-742 (a) of the District of Columbia Code to make all final orders and decisions of the Commissioner under the act reviewable by the District of Columbia Court of Appeals.

ADDITIONAL COSPONSORS OF BILL AND RESOLUTION

Mr. CANNON. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from California [Mr. KUCHEL] be added as a cosponsor of the resolution (S. Res. 13) to amend rule XXV of the Standing Rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from South Dakota [Mr. MUNDT], the Senator from Wyoming [Mr. HANSEN], and the Senator from Arkansas [Mr. McCLELLAN] be added as cosponsors of the bill (S. 3483) to protect the freedom of choice of Federal employees in employee-management relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950—AMENDMENT

AMENDMENT NO. 832

Mr. YOUNG of Ohio submitted an amendment, intended to be proposed by him, to the bill (H.R. 15004) to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder, and for other purposes, which was ordered to lie on the table and to be printed.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1969—AMENDMENTS

AMENDMENTS NOS. 833 AND 834

Mr. WILLIAMS of Delaware submitted two amendments, intended to be proposed by him, to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 837

Mr. HART (for himself, Mr. MUSKIE, Mr. JAVITS, Mr. KENNEDY of Massachusetts, and Mr. YOUNG of Ohio) proposed an amendment to House bill 16913, supra, which was ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1969

AMENDMENT NO. 835

Mr. WILLIAMS of Delaware submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (4) of rule XVI for the purpose of proposing to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, the following amendment, namely: On page 38, between lines 17 and 18, insert a new section as follows:

"Sec. 510. Notwithstanding any other provision of law, after January 1, 1969, no producer shall be eligible for payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$10,000 for any one year. The foregoing limitation shall include the dollar value (as determined by the Secretary of Agriculture) of any payment-in-kind made to a producer, but shall not include the amount of any price support loan made to a producer."

Mr. WILLIAMS of Delaware also submitted an amendment, intended to be proposed by him, to House bill 16913, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT NO. 836

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, the following amendment, namely: Page 19, line 12, insert the following: "Provided, That not to exceed \$2,500,000 of this appropriation shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year".

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 16913, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 28, 1968, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 126. An act for the relief of Pedro Antonio Julio Sanchez;

S. 233. An act for the relief of Chester E. Davis;

S. 1040. An act for the relief of certain employees of the Department of the Navy;

S. 1052. An act for the relief of Nicholas S. Cvetan, U.S. Air Force (retired);

S. 2409. An act for the relief of the estate of Josiah K. Lilly; and
S.J. Res. 168. Joint resolution to authorize the temporary funding of the emergency credit revolving fund.

NOTICE OF HEARINGS ON EAST-WEST TRADE

Mr. MONDALE. Mr. President, on June 4, 1968, at 10 a.m., in room 5302, New Senate Office Building, the International Finance Subcommittee of the Banking and Currency Committee will commence hearings on Senate Joint Resolution 169, which is a joint resolution that would express the sense of the Congress that the Export Control Act regulations and the Export-Import Bank financing restrictions be modified to promote the best interest of the United States by permitting an increase in trade in peaceful goods between the United States and the nations of Eastern Europe.

As previously announced, the hearings will continue on June 13, June 27, July 17, and July 24. Persons wishing to testify or submit statements in connection with this resolution should contact Mr. Hugh H. Smith, Jr., assistant counsel, Senate Committee on Banking and Currency, 5300 New Senate Office Building, Washington, D.C. 20510, telephone 225-3921.

THE NEED TO ABOLISH BUREAU- CRATIC TYRANNY

Mr. DIRKSEN. Mr. President, more than 8 months ago, the Senate voted approval of proposed legislation reported by the Subcommittee on Constitutional Rights of the Committee on the Judiciary, described as a "bill of rights" for Government employees. The vote was 79 to 4, indicating this Chamber's emphatic indorsement of new regulations designed to terminate political pressures and prying into the religious beliefs, sexual attitudes, and private finances of Federal workers. The system, arousing widespread indignation, has been compared to the "big brother" government envisioned in George Orwell's "1984."

For some reason, the measure has been bottled up in a subcommittee in the other body, and its chances of passage at this session now appear dim. Meanwhile, the need for reforms in bureaucratic tyranny continues evident. In a series of three columns in the Chicago Tribune, the tribulations of a constituent, Mr. Charles F. Olson of Morris, Ill., have been described. They provide graphic evidence, as the writer suggests, that Otto F. Otepka, the celebrated target of a 5-year campaign of harassment by the State Department, is not the only victim of Federal oppression.

I ask unanimous consent that the three columns written by Willard Edwards, columnist for the Chicago Tribune, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CAPITOL VIEWS (By Willard Edwards)

WASHINGTON, May 20.—If it were not for other revelations about such victims of federal tyranny as Otto F. Otepka and his asso-

ciates, the story of Charles F. Olson would be regarded as incredible in this land of freedom.

It is in some respects more tragic than the Otepka account, because a cruel weapon was employed in Olson's case, leaving a stigma which will always haunt him.

Olson, 47, an American citizen peacefully engaged in the pursuit of happiness until he ran afoul of bureaucratic arrogance, came here last week, seeking relief from a campaign of harassment by the government which employs him.

For three days, he told his story to all who would listen and enlisted the interest of two powerful senators, Everett M. Dirksen [R., Ill.] and Sam J. Ervin Jr. [D., N.C.].

Then he returned to his home at 1341½ Liberty st., Morris, Ill., daring to be hopeful of justice in the future.

Olson talked to Otepka, the state department security chief who is still waging a fight for vindication after five years of federal persecution. The two men found much in common. They both got into trouble because they offended their superiors in the government by refusing to close their eyes to wrongdoing.

Both were fired from their jobs, both won reinstatement when the charges were proved false. But bureaucratic vengeance continues to pursue them.

OLSON QUESTIONED DEFENSE CONTRACTS

Otepka dared to expose conditions in the state department which protected security risk. Olson touched an equally sensitive nerve in the defense department where he was employed. His questioning of defense contracts infuriated superiors who were nervous about congressional probes of waste, inefficiency and potential fraud in the Pentagon's multi-billion dollar spending programs.

The two men are alike in mildness of manner, keen intelligence, and a fierce patriotism which inspires them to fight back against the overwhelming forces of "big brother" government. Both recoil from the thought of being classified as martyrs but are willing to take the chance of being crushed in a battle against injustice.

Olson is an electronics engineer, a grade 12 [\$12,250 a year] employee of the United States army's ammunition procurement and supply agency in Joliet, Ill.

Until he took this post in March, 1965, his life had been comparatively placid. He had previously been employed by the government for five years in the 50's as a maintenance engineer on an atomic warhead project, receiving a top secret security clearance and the highest ratings. He worked in private industry for five years before returning to federal employ. The documented record of his professional career reveals him as a trusted and respected figure, highly commended by every employer for whom he worked.

His new duties consisted of inspection trips around the country, evaluating munitions contracts together with a team of other experts. He was extremely conscious of the fact that these contracts were for supplies to equip young Americans fighting in Viet Nam. As a youth, he had served overseas in World War II as a medical corpsman. For three years, he had cared for wounded men and seen them die. He wanted no waste of taxpayers' dollars or costly delays in the fulfillment of government contracts.

PROPOSES PLAN TO SAVE \$250,000

On his first trip, Olson pointed out how a \$250,000 saving could be accomplished on a contract. On another tour, he made recommendations designed to speed up the manufacture of weapons. The record shows that the contractors in these cases acknowledged the soundness of his suggestions, but Olson found himself quickly in trouble with his bureaucratic superiors.

He was advised to approve contracts without scrutinizing them too closely. He was only increasing paper-work, reflecting upon the efficiency of higher-ups, and getting a reputation as a "trouble-maker."

Olson refused to "go along." He continued to note defects. After a series of warnings, he was suddenly, in November, 1966, dismissed on charges of being absent without leave.

With the aid of his pastor, the Rev. David Zimmerman of St. Thomas Episcopal church, Olson secured legal aid and fought the dismissal. He and his family, a wife and three sons, endured the loss of his income for six months. Then, at a hearing in Chicago, he proved his contention that the charges were without basis. He was ordered reinstated by the Civil Service commission with full back pay and Washington rejected the agency's appeal against this ruling.

It should have been a moment of triumph. But the government now promptly wielded its most dreaded instrument to punish refractory employees—a charge of mental instability. That story will be explored in a succeeding column.

CAPITOL VIEWS

(By Willard Edwards)

WASHINGTON, May 22.—For a brief, comforting period, Charles F. Olson of Morris, Ill., believed that an ordinary American citizen, with justice on his side, could prevail over the awesome forces of the government bureaucracy. Disillusionment came quickly.

As described in a preceding column, Olson won his fight in May, 1967, for reinstatement to his post as electronics engineer in the army's ammunition procurement and supply agency in Joliet, Ill.

The charges against him had been officially branded as without basis by the Civil Service commission. They had been leveled by angry superiors who resented his refusal to close his eyes to defects in defense contracts providing materials for the troops in Viet Nam. The word from the Pentagon, alarmed by congressional exposure of waste, inefficiency, and fraud, was to get rid of this underling as a "non-conformist and disruptive influence."

Olson, 47, collected six months back pay and paid off debts incurred during his legal battle for vindication. On his first day back at work, he found that he had not been forgiven. A fellow worker told him, "We got rid of you once and we'll do it again."

Instead of being returned to his engineering duties, he was assigned to a clerical job, filing meaningless papers. Other employees were hostile or afraid to speak to him.

PATTERN OF VENGEANCE IS FAMILIAR

The pattern of vengeance was familiar. He was isolated and given demeaning duties just as Otto F. Otepka and his associates, in a more celebrated case, were penalized by the state department for refusing to remain silent about wrongdoing.

The defense department, in Olson's case, now decided to use the weapon of reprisal most dreaded by government employees. It ordered Olson last January to submit to a psychiatric examination.

In his entire career, up to this point, no question had ever been raised about Olson's mental fitness. He had served for three years in military service in World War II and later, as an engineer on a top-secret atomic project where every employee was rigidly examined. In private industry, he had been subjected to exhaustive psychological testing, receiving superior ratings.

He was surprised when the psychiatrist dismissed him after a half-hour of questioning. Such examinations are usually lengthy and detailed. Promptly, the verdict came thru: Olson was a "chronic paranoid," an all-embracing term covering delusions of

and exorbitant prices for prescription drugs used in Federally-supported programs." As I suggested a few minutes ago, unless the private sector will show the same vitality in solving drug pricing problems it has shown in discovering new products and marketing them, public and governmental pressures will grow to find alternatives to the existing arrangements.

Medicare, as all of you know, does not provide protection against the costs of outpatient prescription medicines—it is a critical gap in an otherwise comprehensive program of health insurance coverage among the Nation's nearly 19 million people. Few seem to disagree about the need to provide some form of protection against outpatient prescription drug costs. The question is one of how to best achieve such protection.

Legislation which I sponsored last year, but which was just narrowly defeated, and legislation which I have again reintroduced, represents a reasoned and modest beginning toward protecting the elderly from catastrophic drug expenses. I would like to just briefly touch upon the significant points contained in the proposal which now has the endorsement of 38 Members of the Senate.

First, I repeat that the program I have proposed is a modest program designed to protect against catastrophic prescription drug costs. Since the aged and the Government share in the costs of my program, we must assure that the funds are used wisely and only to assist those who really need protection. Many older persons can budget drug expenses and require no assistance. Consistent with the principle of an insurance program, my bill insures against the expenses of high risk individuals.

Second, the proposal insures against the risk of overwhelming drug expense by paying benefits to patients themselves. In this way, community pharmacists are in no way affected in their pricing or marketing practices. The relationships which exist between pharmacies and their patrons are thereby not interfered with.

Finally, the legislation fully endorses freedom of choice for a patient in selecting his pharmacist and guarantees that physician judgment is in no way compromised by the fact that patients may be reimbursed in whole or in part by the Medicare program. I have long seen the contribution which independent pharmacists within the community can make. For this reason, the legislation I have introduced does not authorize payments to physicians for prescribed medicines as part of physicians' services—a responsibility properly assigned to the independent community pharmacies. Any proposal to help our older citizens meet the costs of outpatient medicines should, therefore, strengthen rather than limit the role of local pharmacy.

But the legislation which I am sponsoring also takes into account the need for guarantees that Federal tax dollars and the premiums paid by older people are used in the most economical manner possible. The proposal also reflects the belief that reimbursement for drug expenses should be based upon rational, professional decisions about the kind and quality of drugs the aged require. In other words, the proposal expands upon the experience of formularies in hospitals and in some public programs in order to look intelligently at price and cost considerations. It is at this point that critics of the proposal have tried to confuse the merits of the legislation with various polemic smoke-screens.

The amount of benefits to which patients would be entitled would be determined by a National Formulary Committee. The first concern of this committee, which would have professional and technical pharmaceutical assistance, would be to identify those drugs, required by the aged, for which reimbursement would be made. The same professional evaluation of drug products, about which I

spoke earlier, would be made by this Committee. Such a dialogue invariably leads to issues of rational drug therapy and drug quality. These are professional decisions and can be made only by physicians and pharmacists. Having established a formulary for which the program will provide payments, the Committee would identify the most competitive product on the market. The price of this product would then become the extent of the program's liability to which would be added an amount representing the value of professional pharmaceutical services and the other costs required for dispensing a prescription.

One of the principal criticisms raised against the proposed legislation is that it would require generic prescribing or interfere with the physician's right to select any product he so chooses for his patient. This contention is utterly false. Physicians would continue to prescribe in any manner they see fit and would continue to judge first the requirements of his patient's health and safety. As you all know, the presence or absence of a trade name is no guarantee of quality by itself. My proposal seeks to pay for quality products, but for quality which is the most competitive.

Since payments for covered drugs are to beneficiaries, pharmacists are not placed in the position of vendors, compelled to accept this or that price. Substitution of Federal prices for prices which already make captive too many transactions in pharmacies or place the professional services of the pharmacist in dollars and cents framework is no answer either. The pharmacist dispensing a prescription charges his usual and customary fee to the patient just as he now does. And while the beneficiary receives part of his payment for pharmacy services, the use or non-use of the professional fee system remains the decision of the individual pharmacist himself. Pharmacy must evaluate the desirability of freeing itself and its compensation for professional services from the costs of the products dispensed.

The substance of the proposal I and others are sponsoring is to consider costs and drug economics after scientific judgment is exercised. Where evidence and experience indicates that lower-cost products perform as well as higher-cost products, the program would not be committed to paying more than is necessary. Since the inclusion or exclusion of this or that product, under this or that name, is irrelevant to the income or pricing position of manufacturers or pharmacists—these practices are not part of the program—only the beneficiary may wonder why large price differentials exist between what he is charged and what the program will pay him. Certainly this concern will provide an incentive for closer consultation between physicians and pharmacists as to the availability and usefulness of alternate products in subsequent prescribing practice. Certainly, no professional can dispute the desirability of such increased communication.

One of America's leading pharmaceutical houses, in a publication and in advertisements distributed Nation-wide—including one in your own Journal—outlined what it sees as necessary principles which must be adopted for a sound program of third-party payment, including Medicare.

First, maintain the physician's right to prescribe the product of his choice.

The Montoya bill heartily endorses this principle, and says in the opening language of the proposal, "nothing (in this Act) shall be construed in anywise to limit or restrict the complete freedom of choice of any insured individual in the selection of his physician, limit or restrict any physician treating such individual in prescribing drugs for such individual's use."

Second, insure the patient's right to select the pharmacy of his choice.

The Montoya bill begins with the statement that, "It is the policy of the Congress that individuals insured . . . shall have complete freedom of choice in the selection of the community pharmacy from which they purchase drugs, the expenses of which are covered under such program . . ."

Third, eliminate the threat of government pharmacy facilities replacing local pharmacies.

Certainly, recognition of the role of community pharmacies cannot be compromised. This is why my proposal insists upon underwriting the costs of prescription drugs for the aged under existing and private arrangements, rather than to call for government pharmacies.

Fourth, adopt beneficiary identification measures that avoid confusion about eligibility.

Since my proposal is to expand the benefits of the Supplementary Medical Insurance portion of the Medicare program, beneficiary identification is already an accomplished fact. Moreover, entitlement to benefits under my proposal does not involve any determination on the part of the physician or the pharmacist.

Fifth, the industry spokesmen in this statement of principles, recommends the use of a "co-pay" program which would result in benefit payments from the first dollar of prescription expense.

This recommendation I cannot endorse. The initial deductible provision in my proposal allocates a higher proportion of the program's income to high-risk individuals, the persons who actually need assistance in meeting their drug expenses. Instead of insuring against any risk occurrence for drug expenses among the aged, the \$25 deductible provision in my bill prevents the use of program funds for small and obviously manageable expenses. This initial deductible permits us to provide more comprehensive protection for those with catastrophic drug expenses. The initial deductible also avoids the heavy administration costs of processing small bills, the charges of which in the aggregate are not greater than the amount of the drug deductible.

The sixth recommendation calls for the use of the most efficient and practical method of processing drug claims.

As many of you know, much of the benefits involved in a prescription drug insurance program can be lost in very expensive administrative procedures. The bill I have proposed provides the widest possible latitude to the administrators of such a program to insure that benefits are provided in the most efficient and economical manner.

Other industry recommendations include the adoption of procedures to guarantee the rapid processing of claims, the establishment of effective utilization controls to guard against program abuse, and the recommendations to ground the entire program on sound financial principles. I can assure you that the supporters of the bill are working to incorporate each of these recommendations.

Your Association is on record as supporting this proposal. But this endorsement is not only a program to help the elderly meet the costs of prescription medicines. It is also an endorsement of a rational therapy from which can follow, without emotion, legitimate considerations for the economics of providing drugs to the American people. Although my bill uses the concepts of "professional fee" and relies upon physician-pharmacist cooperation in establishing a formulary, the legislation does not make either of these approaches a compulsory feature of the program. It is my fervent belief that men of pharmacy and medicine will work to bring about these changes in a voluntary manner—for the benefit of all.

Ladies and gentlemen, the support you have given, individually and as an Association, to this and other legislation is not only a tribute to your goals as an Association, but

marks out for the 1970's the challenges and responsibilities for the future. Your perspective is indeed far-reaching. I wish you continued success. Thank you.

[An American Pharmaceutical Association news release, May 8, 1968]

MONTOLYA URGES EXPANDED PROFESSIONAL ROLE FOR PHARMACISTS

MIAMI BEACH, FLA., May 8.—Senator Joseph Montoya (D-N. Mex.) today urged the Nation's pharmacists to seek an expanding role in providing the American public with quality drug products in the most economical manner possible.

Speaking before the 115th Annual Meeting of the American Pharmaceutical Association, in Miami Beach, Florida, the Senator noted that "the American pharmacist receives more education in pharmacology and toxicology than any other health professional, including the physician who has overall responsibility for the patient's well-being." Senator Montoya called upon members of both health professions to seek "an increased professional dialogue" in order to "more fully utilize the skills and training of pharmacists in the overall health care system."

Noting that while much is being done to improve the quality of drug products purchased by Americans, the Senator pointed to another objective—that of assuring access to a variety of quality products in a competitive setting. "First, last, and always," the Senator said, "the American people want assurances that what they are buying is of the finest quality available." But, he added, "the American people expect, and the Congress has the obligation to assure—particularly insofar as tax-supported programs are concerned—that quality drugs, like quality health care, be proved in the most economical manner possible."

Noting the increased public concern about rising costs in health and medical care, Senator Montoya predicted that "public health expenditures for prescription medicines—for both inpatients and outpatients—will continue to receive close scrutiny." The New Mexico Democrat suggested that "by working together to evaluate drug requirements, eliminating irrational product duplication, physicians and pharmacists provide high quality at the least possible cost." "Obviously, however," the Senator went on to say, "there is considerably more room for closer professional relationships between physicians and pharmacists."

Turning to the legislation he has introduced to help the elderly meet their drug costs under medicare, Senator Montoya underlined the philosophy behind his proposal. He stated that his bill reflects the belief that reimbursement for drug expenses should be based upon rational, professional decisions about the kinds and quality of drugs the aged require. Where evidence and experience indicates that lower-cost products perform as well as higher-cost products, the program would not be committed to paying more than is necessary. The Senator also pointed out that an increased dialogue between physicians and pharmacists invariably leads to issues of rational drug therapy and drug quality. In his view these are professional issues and can only be discussed by physicians and pharmacists. In summary, he said, "the substance of the proposal I and others are sponsoring is to consider costs and drug economics after scientific judgment is exercised."

Montoya told his audience that his drug legislation in no way interferes with the practice of medicine or the pharmaceutical pricing practices in community pharmacies. He also noted that "recognition of the role of community pharmacies cannot be compromised. This is why my proposal insists upon underwriting the costs of prescription drugs for the aged under existing and private arrangements, rather than to call for government pharmacies."

Montoya concluded by calling for continued endorsement of instituting principles or rational drug therapy in a rapidly-changing world of medical innovation.

FREE TRADE BENEFITS THE NATION

Mr. TYDINGS. Mr. President, the welfare of many millions of workers and farmers, and the profitability of thousands of business firms are directly involved in this country's foreign trade policy. In fact, the vitality of the American economy as a whole is directly linked to our trade policy. We should, therefore, move cautiously before tampering with the fundamentals of a policy which has brought unparalleled prosperity to our people for more than three decades.

Proposals which would seriously damage that policy have been introduced in the Congress in alarming numbers. President Johnson has now submitted his foreign trade policy bill. This action gives us a clear choice; a retreat to outmoded protectionism or a continuation of the progressive policy which has made a major contribution to our prosperity for more than 30 years.

For me, the choice is clear. I support the concept of liberalized trade and continued prosperity as reflected in President Johnson's foreign trade policy proposals.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1121, H.R. 16913.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that beginning at 9:30 a.m. tomorrow under the usual regulations, there be a time limitation of 1 hour on each amendment, the time to be equally divided between the cosponsor of the amendment and the manager of the bill.

The PRESIDING OFFICER. No time limitation on the bill?

Mr. MANSFIELD. No time limitation on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

Ordered, That, effective on Wednesday, May 29, during the further consideration of H.R. 16913, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, debate on all amendments be limited to one hour to be equally divided

and controlled by the proponent of the amendment and the manager of the bill [Mr. HOLLAND], or someone designated by him.

Mr. HOLLAND. Mr. President, we now have under consideration H.R. 16913, the Department of Agriculture and related agencies appropriation bill for fiscal year 1969. The amount of the bill, as reported to the Senate from the committee, contains a total of new budget—obligational—authority of \$5,536,050,300, a reduction of \$1,615,555,400 under the amounts carried in the Agricultural Appropriation Act for 1968. The bill, as reported by the committee, is \$1,387,929,500 under the budget estimates with a net increase of new budget—obligational—authority over the House bill by \$12,414,800. The bill, as reported, includes a number of increases and decreases and the committee report No. 1138 describes in detail the recommendations made by the committee in the appropriations for the several agencies and program activities of the Department of Agriculture. I will deal briefly with only a few of the more significant appropriation items, with the understanding that I am perfectly willing to be questioned about any item that I do not deal with directly.

In the atmosphere of economy which prevails as a result of the general fiscal situation, the committee has recommended concurrence with the other body on most of the major reductions that it made in the budget estimates for new budget—obligational—authority, and authorization to spend agency debt receipts.

In summary, these reductions under the budget estimates total \$1,503,536,500 in recommendations for the Farmers Home Administration and the Commodity Credit Corporation.

FARMERS HOME ADMINISTRATION

The committee concurred in the House action to deny the budget estimate of \$425,000,000 for participation sales authorization. The Department did not request restoration of this item.

Mr. President, at this stage I want to say that in a manner unusual to the Department and to the Bureau of the Budget, many of the cuts made by the other body were not requested to be restored. In most instances our committee did not feel its judgment was better in that regard than the judgment of the Department and the Bureau of the Budget, regarding those reductions.

COMMODITY CREDIT CORPORATION

The committee has concurred in reductions made by the House version of the bill in the estimates for appropriations for the Commodity Credit Corporation totaling \$1,078,536,500.

In spite of these reductions in new obligational budget authority the Commodity Credit Corporation will have adequate borrowing authority to carry out all of its authorized program activities during fiscal 1969, and still provide an estimated margin of \$1.250 billion of borrowing authority at the end of fiscal 1969.

REIMBURSEMENT APPROPRIATION FOR THE COMMODITY CREDIT CORPORATION

As shown in detail in the committee report—on page 35—the budget estimate of \$3,648,506,000 requested only a partial restoration of the 1967 fiscal loss

of \$3,813.6 million for the Commodity Credit Corporation to be applied against the unreimbursed balance of \$1,585 million from fiscal 1966 and a part of the loss for 1967 fiscal year.

I would like to say that the budget recommended did not request any restoration of the balance of the deficit for 1961, which was \$1.057 billion for revaluation of inventory in that fiscal year.

The committee did not receive any request to restore the House reduction in the estimate of \$460,393,500 and has recommended that the Senate concur in the House action, thereby providing a total restoration of \$3,188,112,500, of which \$350,467,000 is liquidation of contract authorization. The unrestored loss for 1967 and the balance from 1961 total \$3,267.6 million.

The committee has received good cooperation from the Department in its repeated efforts to bring the reimbursement appropriation to a current basis as intended by Public Law 87-155, approved August 17, 1961. The committee hearings show clearly that the Bureau of the Budget is at fault in this matter—by its failure to transmit to the Congress the estimated amounts necessary to be appropriated as intended by law. This continued failure year after year to request the restoration of the full amount of the deficit may, if continued in the 1970 budget, result in the need for a deficiency or supplemental appropriation again during fiscal 1970 unless corrective action is taken when the budget estimate for 1970 is transmitted to the Congress.

I would like to explain for the RECORD that this committee has not changed its views at all on this subject. The committee has consistently held that the law requires, and good bookkeeping and good business procedure require that the deficit be reimbursed in its entirety each year. We have never been able to get the cooperation of the Bureau of the Budget in this regard nor have we been able to get the cooperation of the other body.

We are now getting pretty close to the time when the Bureau of the Budget will have to arrive at the moment of truth because it has so heavily impaired the borrowing capacity of the Commodity Credit Corporation. If it continues to impair the borrowing capacity with the same practices it has followed without interruption up to now and has continued into this budget, there will be a need in 1970 for a large restoration going much beyond any of the Bureau of the Budget's previous recommendations.

I am able again to say, however that there is sufficient remaining borrowing capacity of the Commodity Credit Corporation to carry on the business of the Corporation during fiscal 1969, and we think to leave a balance at the end of fiscal 1969 of \$1.250 billion of unused borrowing authority.

PUBLIC LAW 480—TITLES I AND II

The third principal reduction—and we have used this double term each time this year because of the change in the nature of the budget submitted and because of the fact we are complying with the new plans of the administration in

reference to the budget—for new budget obligatory authority deals with the expenses under Public Law 480, as amended. The bill provides \$300 million, a reduction of \$618,143,000 under the estimate, and \$1,305.5 million under the 1968 Appropriation Act.

The Department requested only partial restoration of the House reductions—\$50 million restoration for title I for sales, and \$250 million for title II for donations abroad. The printed record shows on page 1698 that \$200 million of the restoration requested for title II is contingent upon Senate ratification of the International Grains Agreement, not yet reported from the Committee on Foreign Relations. In other words, we want to make very clear that in the reduction of that \$200 million we are simply awaiting action of the committee and subsequent action by the Senate upon the proposed new International Grains Agreement.

The committee recommendations do not affect the program level under Public Law 480 since the borrowing authorization of the Commodity Credit Corporation may be used for costs incurred in fiscal 1969, subject to subsequent reimbursement by future appropriations.

It is expected, however, that in the coming year major emphasis will be placed upon increasing export sales for dollars and for long-term credit sales since the other program activities authorized by Public Law 480—while meritorious—contribute to our very critical foreign trade imbalance.

GENERAL ACTIVITIES OF THE DEPARTMENT

As I stated earlier the recommendations made by the committee for fiscal 1969 were formulated in the prevailing atmosphere of budgetary economy. Thus, most recommendations made by the committee maintain new—obligatory—authority for 1969 at the 1968 appropriation level, plus pay costs. Several increased amounts simply reinstate the 1968 appropriations prior to deferrals under Public Law 90-218.

That was the resolution passed by the Congress in December, accomplishing cuts both in appropriations and in expenditures for fiscal year 1968. There are some exceptions to this procedure, principally in the programs administered by the Consumer and Marketing Service.

Last year the Congress authorized the Wholesome Meat Act calling for a broadening of the meat inspection program and the bill carries an increase of \$21 million over 1967 for the first-year cost of the enlarged program.

The Food Stamp Act was extended last year and provided with a \$225 million annual authorization. The bill recommends the full \$225 million, an increase of \$40 million over the 1968 level.

PAYMENTS TO STATE LAND GRANT INSTITUTIONS

Last year, under Public Law 90-218, the Department deferred the increases over 1967, provided in the 1968 Appropriation Act for payments to States for cooperative research and payments to States for cooperative extension work.

The committee has recommended an appropriation of \$54,965,000 for payments to States under the Hatch Act, an

increase of \$3,852,000 over the House bill and the amount of the budget estimate, thereby restoring the 1968 level. The additional funds provided are to be directed toward pay adjustments for research workers in those States where comparability with Federal pay has not been achieved.

PAYMENTS FOR COOPERATIVE EXTENSION SERVICE

For payments to the States for cooperative extension work, pursuant to the regular distribution formula under the Smith-Lever Act, a total of \$81,917,500 is recommended. This is an increase of \$3,385,000 over the House bill, the amount in the budget estimate, and a restoration of funds deferred in fiscal 1968. Here again, the committee report directs that the increased funds be directed to meet pay comparability adjustments for county extension workers in those States where such increases are required to meet this objective.

The committee has only partially restored the reductions made by the House in the budget estimate for the research program conducted by the Agricultural Research Service proposing a net increase over the House of \$5,978,100, but leaving the appropriation \$4,824,900 under the estimate. The committee recommendations include funds requested for the staffing and equipping of important research laboratories which have been constructed in recent years.

Digressing from my prepared statement, the committee reluctantly agreed last year to defer some of the staffing of new, and much-needed facilities. We thought that it would be unwise policy to continue longer the failure to staff the new and needed facilities. Our bill provides for their staffing.

It is believed that it is essential that the research programs for these important facilities should be advanced by making these restorations—since the research work has already been deferred by 1 year as a result of the action taken last year pursuant to Public Law 90-218.

Mr. President, I offer for the RECORD a table which shows the increases and decreases proposed in the budget for "Research" of the Agricultural Research Service taken from page 1105 of the printed hearing record.

As stated the Senate committee has recommended the partial restoration of research for the staffing of new laboratories deferred in 1968 and for other research projects deferred in 1968. Prior to the subcommittee markup the Department of Agriculture supplied the committee with three tables called special table No. 1, special table No. 2 and special table No. 3. In the committee report No. 1138 these tables and the specific amounts provided were not printed, but for the information of the Senate and for others who are interested in the amounts actually restored, I request that these three tables be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SUMMARY OF INCREASES AND DECREASES

Research	1968 obligations	Increase or decrease		1969 estimate	Research	1968 obligations	Increase or decrease		1969 estimate
		Pay costs	Other				Pay costs	Other	
Decrease to eliminate funds obligated in 1968 for activities discontinued in 1968 pursuant to Public Law 90-218.....	\$1,265,500		-\$1,265,500		For additional farm, utilization, nutrition, and marketing research in existing facilities.....	\$1,996,600	+\$20,200	+\$1,212,200	\$3,229,000
Increase of \$7,377,900 in obligations to provide for research activities authorized in the 1968 appropriation act but deferred pursuant to Public Law 90-218:					Staffing, equipping, and operating new research laboratories...	22,919,500	+241,500	+1,837,400	24,998,400
For staffing, equipping, and operating new research facilities and to meet other program needs.....			+2,986,700	\$2,986,700	Subtotal, program changes...	26,681,600	+261,700	+9,162,000	36,105,300
For research conducted by Agricultural Research Service.....			+522,400	522,400	Construction and improvements.....			+290,000	290,000
For research conducted under research contracts, grants, and cooperative agreements.....			+3,368,800	3,368,800	Planning fund for facilities.....			+710,000	710,000
To restore contingency research fund.....	1,500,000		+500,000	1,000,000	Nonrecurring items provided in 1968.....	4,350,000		-4,350,000	
					Subtotal, facilities.....	4,350,000		-3,350,000	1,000,000
					All other.....	113,069,500	+1,098,300		114,167,800
					Subtotal.....	144,101,100	+1,360,000	+5,812,000	151,273,000
					Balance of 1968 reduction under Public Law 90-218 lapsing.....	2,668,000		-2,686,000	
					Total, research.....	146,769,100	+1,360,000	+3,144,000	151,273,100

¹ Includes \$385,000 of nonrecurring funds for planning new research facilities as provided in the 1968 appropriation act, of this amount \$240,000 was deferred until 1969 pursuant to Public Law 90-218.

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE
SUMMARY TABLE ON RESEARCH

Item	(1)	(2)	(3)	(4)	(5)	Budget estimate, increase or decrease (6)		(7)	(8)	House bill compared with—		(11)
						Pay costs	Other			1968 Appropriation Act	1969 budget estimate	
Research items:												
(1) Decrease to eliminate funds obligated in 1968 for activities discontinued in 1968 pursuant to Public Law 90-218 (see pp. 1110-1112 of the Senate hearings for details).....		\$5,067,600	—\$3,810,500	+\$8,400	\$1,265,500		—\$1,265,500			—\$5,067,600		
(2) Increase of \$7,377,900 in obligations to provide for research activities authorized in the 1968 Appropriation Act but deferred pursuant to Public Law 90-218:												
(3) For staffing, equipping, and operating new research facilities and to meet other program needs (see special table No. 1 for details—also see p. 1113 of the Senate hearings).....		2,955,100	—2,955,100					\$2,986,700	\$1,094,300	—1,860,800	—\$1,892,400	
(4) For research conducted by Agricultural Research Service (see special table No. 2 for details—also see p. 1160 of the Senate hearings).....		518,600	—518,600					522,400	32,600	—486,000	—489,800	
(5) For research conducted under research contracts, grants and cooperative agreements (see p. 1121 of the Senate hearings for details).....		3,368,800	—3,368,800					3,368,800		—3,368,800	—3,368,800	
(6) To restore the full \$1,000,000 contingency research fund to meet unforeseen and immediate research needs.....		1,000,000	—500,000		500,000			1,000,000	500,000	—500,000	—500,000	
Subtotal (2 to 5, above).....		7,842,500	—7,342,500		500,000			7,877,900	1,626,900	—6,215,600	—6,251,000	
(7) For additional farm, utilization, nutrition, and marketing research in existing facilities (see special table No. 3 for details).....		1,947,100		49,500	1,996,600			3,229,000	2,016,800	49,700	—1,212,200	
(8) Staffing, equipping, and operating new research laboratories (see special table No. 1 for details).....		22,369,300		550,200	22,919,500			24,998,400	23,161,000	791,700	—1,837,400	
Subtotal, research program changes.....		37,226,500	—11,153,000	608,100	26,681,600			36,105,300	26,804,700	—10,421,800	—9,300,600	
(9) Research facilities:												
Construction and improvements.....												
Planning funds for facilities.....								290,000			—290,000	
Nonrecurring items provided in 1968.....		4,350,000	(2)		4,350,000			710,000			—710,000	
Subtotal, research facilities.....		4,350,000			4,350,000			—3,350,000		—4,350,000	—1,000,000	
(10) All other research.....		110,469,600	—62,730	2,662,630	113,069,500			114,167,800	114,167,800	49,700	—1,000,000	
Subtotal (research and construction).....		152,046,100	—11,215,730	3,270,730	144,101,100			151,273,100	140,972,500	—11,073,600	—10,300,600	
(11) Balance of 1968 reduction under Public Law 90-218 not used for pay or program costs.....			2,668,000		2,668,000							
Total, research (including transfers).....		152,046,100	—8,547,730	3,270,730	146,769,100			151,273,100	140,972,500	—11,063,600	—10,300,600	

¹ Adjusted to include \$275,000 transferred from Commodity Credit Corporation for cotton research and excludes \$4,400 transferred to General Services Administration for space rental.

² Approximately \$3,680,000 of construction was deferred to fiscal year 1969.

SPECIAL TABLE NO. 1.—STAFFING, EQUIPPING, AND OPERATING LABORATORIES

[Code: A—New research authorized in the 1968 appropriation act but deferred in 1968 pursuant to Public Law 90-218; B—Staffing, equipping, and operating costs to carry out high-priority research programs in new laboratories recently authorized by Congress]

[Note.—The distribution of the amount in the House bill was made by the Department]

Item	Appropriation, 1968	Reduction, 1968	Increased pay costs, 1968	Obligations, 1968	Budget estimate, 1969 compared with obligations, 1968		House bill	House bill compared with— 1968 Appropriation Act	1969 budget estimate	Senate committee recommendation	Senate committee recommendation compared with— 1969 budget estimate	
					Pay costs	Other						
(1)	(2)	(3)	(4)	(5)	(a)	(b)	(8)	(9)	(10)	(11)	(12)	(13)
A. For work in new facilities:												
1. Utilization research and development:												
(1)												
California, Albany:												
A. Restoration of 1968 reduction.....	\$283,000	\$283,000			+\$283,000		\$196,600	\$86,400	—\$86,400	\$283,000		+\$86,400
B. Additional research requested in 1969 budget estimate.....	6,640,600		\$163,600	\$6,804,200	—\$67,700	—\$331,000	6,871,900	+231,300	—331,000	7,202,900		—\$331,000
California, Pasadena:												
A. Restoration of 1968 reduction.....	75,000	75,000			—	—	75,000			75,000		
Georgia, Athens:												
A. Restoration of 1968 reduction.....	50,000	50,000			—	—		—50,000	—50,000	50,000		—50,000
B. Additional research requested in 1969 budget estimate.....	175,800		3,200	179,000	+2,300	+506,000	181,300	+5,500	—506,000	687,300		+506,000
Illinois, Peoria:												
A. Restoration of 1968 reduction.....	296,000	296,000			+3,000	+296,000	299,000	+3,000		299,000		
Louisiana, New Orleans:												
A. Restoration of 1968 reduction.....	253,500	253,500			—	—		—253,500	—253,500	253,500		—253,500
B. Additional research requested in 1969 budget estimate.....	6,844,200		187,700	7,031,900	+90,400	+88,000	7,122,300	+278,100	—88,000	7,210,300		+88,000
Pennsylvania, Wyndmoor:												
A. Restoration of 1968 reduction.....	98,500	98,500			+2,300	+98,500	100,800	+2,300		100,800		
B. Additional research requested in 1969 budget estimate.....	5,524,200		139,700	5,663,900	+58,000	+33,100	5,721,900	+197,700	—33,100	5,755,000		+33,100
2. Other:												
(7)												
Arizona, Phoenix—Research on western cotton insects and cotton physiology:												
A. Restoration of 1968 reduction.....	40,000	40,000			+800	+40,000		—40,000	—40,000	40,800		+40,800
B. Additional research requested in 1969 budget estimate.....	57,100		500	57,600	+300	+71,400	57,900	+800	—71,400	129,300		+71,400
Arizona, Tucson—Nutrition, physiology, and behavior of bees:												
A. Restoration of 1968 reduction.....	10,000	10,000				+10,000	10,000			10,000		
Colorado, Fort Collins—Sugar beet quality:												
A. Restoration of 1968 reduction.....	35,000	35,000			+1,100	+35,000		—35,100	—35,100	36,100		+36,100
Delaware, Georgetown—Poultry production research:												
A. Restoration of 1968 reduction.....	50,000	50,000			+300	+50,000		—50,000	—50,000	50,300		+50,300
B. Additional research requested in 1969 budget estimate.....						+34,700			—34,700	34,700		+34,700
Florida, Gainesville—Insect attractants and research on stored products insects:												
A. Restoration of 1968 reduction.....	240,000	240,000			+3,400	+240,000		+240,000	—243,400	243,400		+243,400
B. Additional research requested in 1969 budget estimate.....	183,000			183,000	+400	+125,000	183,400	+400	—125,000	308,400		+125,000
Georgia, Byron—Tree fruit and nut crop research:												
A. Restoration of 1968 reduction.....	55,000	55,000				+55,000		—55,000	—55,000	55,000		+55,000
B. Additional research requested in 1969 budget estimate.....	580,900		10,800	591,700	+4,500	+56,000	596,200	+15,300	—56,000	652,200		+56,000
(13)												
Georgia, Dawson—Storage, quality maintenance, and marketing of peanuts:												
A. Restoration of 1968 reduction.....	50,000	50,000				+50,000		—50,000	—50,000	50,000		+50,000
B. Additional research requested in 1969 budget estimate.....	309,500		5,200	314,700	+1,900	+85,400	316,600	+7,100	—85,400	402,000		+85,400
(14)												
Georgia, Experiment—Varietal resistance to insects:												
A. Restoration of 1968 reduction.....	40,300	40,300			+400	+40,300	40,700	+400		40,700		
(15)												
Georgia, Savannah—Research on insect control in agricultural products:												
B. Additional research requested in 1969 budget estimate.....	462,800		10,300	473,100	+3,800	+105,400	476,900	+14,100	—105,400	582,300		+105,400

(16) Minnesota, St. Paul—Cereal rust research: B. Additional research requested in 1969 budget estimate.....	154,400	3,600	158,000	+1,400	+42,600	202,000	+5,000	202,000	202,000	202,000	+42,600
(17) Mississippi, Oxford—Sedimentation research: B. Additional research requested in 1969 budget estimate.....	648,800	16,200	665,000	+6,600	+65,000	737,200	+22,800	737,200	737,200	737,200	+65,000
(18) Mississippi, Stoneville—Weeds in cotton: A. Restoration of 1968 reduction.....	20,000	20,000		+900	+20,000	20,900	-20,000	20,900	20,900	20,900	+20,900
(19) Nebraska, Clay Center—Meat animal research: A. Restoration of 1968 reduction..... B. Additional research requested in 1969 budget estimate.....	51,800	51,800			+51,800	51,800		51,800	51,800	51,800	
	595,800	4,700	600,500	+2,400	+101,300	704,200	+7,100	704,200	704,200	704,200	+101,300
(20) North Dakota, Grand Forks—Nutrition and consumer use research: B. Additional research requested in 1969 budget estimate.....					86,500	86,500		86,500	86,500	86,500	+86,500
(21) Oklahoma, Durant—Water pollution research: B. Additional research requested in 1969 budget estimate.....	45,000		45,800	+300	+30,400	76,500	+1,100	76,500	76,500	76,500	+30,400
(22) Texas, College Station—Toxicological and pathological effects of pesticides on livestock: B. Additional research requested in 1969 budget estimate.....	147,200	3,900	151,100	+1,500	+75,000	227,600	+5,400	227,600	227,600	227,600	+75,000
(23) Texas, Lubbock—Cotton ginning research: A. Restoration of 1968 reduction.....	235,000	235,000		+1,100	235,000	236,100	+1,100	236,100	236,100	236,100	
Total:											
A. Restoration of 1968 reduction.....											
B. Additional research requested in 1969 budget estimate.....											
Total for work in new facilities.....											
B. For work in existing facilities:											
(24) Arizona, Tucson—Research to reduce cost of producing cotton (for bee research at this location see item (8) above): A. Restoration of 1968 reduction.....	15,000	15,000		+300	+15,000	15,300	-15,000	15,300	15,300	15,300	+15,300
(25) California, Pasadena—Hormone physiology studies of citrus fruits in connection with problems of mechanical harvesting (for utilization research at this location see item (2) above): A. Restoration of 1968 reduction.....	80,000	80,000		+2,400	+80,000	82,400	-80,000	82,400	82,400	82,400	+82,400
(26) California, Shafter—Research to reduce cost of producing cotton: A. Restoration of 1968 reduction.....	93,000	93,000		+1,700	+93,000	94,700	-93,000	94,700	94,700	94,700	+94,700
(27) Idaho, Dubois—Sheep production research: A. Restoration of 1968 reduction.....	75,000	75,000			+75,000	75,000	-75,000	75,000	75,000	75,000	+75,000
(28) Idaho, Twin Falls—Research on sugar beet root maggot: A. Restoration of 1968 reduction.....	41,000	41,000		+700	+41,000	41,700	+700	41,700	41,700	41,700	
(29) Illinois, Urbana—Production research on soybean: A. Restoration of 1968 reduction.....	40,000	40,000		+500	+40,000	40,500	-40,000	40,500	40,500	40,500	+40,500
(30) Iowa, Ames—Research to improve protein content of cereal and other grains: A. Restoration of 1968 reduction.....	14,000	14,000		+200	+14,000	14,200	+200	14,200	14,200	14,200	
(31) Maryland, Beltsville: Dairy herd improvement: A. Restoration of 1968 reduction..... Research to improve protein content of cereals and other grains: A. Restoration of 1968 reduction..... Research to improve ornamental crops (in addition, a budget request of \$621,600 for this activity is included in item (8) of special table No. 3): A. Restoration of 1968 reduction.....	50,000	50,000			+50,000	50,000	-50,000	50,000	50,000	50,000	+50,000
	7,000	7,000		+200	+7,000	7,200	-7,000	7,200	7,200	7,200	+7,200
	56,000	56,000		+1,100	+56,000	57,100	-56,000	57,100	57,100	57,100	+57,100

SPECIAL TABLE NO. 1.—STAFFING, EQUIPPING, AND OPERATING LABORATORIES—Continued

[Code: A—New research authorized in the 1968 appropriation act but deferred in 1968 pursuant to Public Law 90-218; B—Staffing, equipping, and operating costs to carry out high-priority research programs in new laboratories recently authorized by Congress.]

[Note.—The distribution of the amount in the House bill was made by the Department]

Item	Appropriation, 1968	Reduction, 1968	Increased pay costs, 1968	Obligations, 1968	Budget estimate, 1969 compared with obligations, 1968		Budget estimate, 1969	House bill	House bill compared with—		Senate committee recommendation	Senate committee recommendation compared with—	
					(6)				1968 Appropriation Act			1969 budget estimate	House bill
					Pay costs	Other			(9)	(10)			
(1)	(2)	(3)	(4)	(5)	(a)	(b)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
B.													
(32)													
Minnesota, St. Paul—Sugar beet quality research (for research on cereal rust at this location see item (16) above):													
A. Restoration of 1968 reduction	\$10,000	\$10,000			+\$400	+\$10,000	\$10,400		-\$10,000	-\$10,400	\$10,400		+\$10,400
(33)													
Mississippi State College:													
Research to reduce costs of producing cotton:													
A. Restoration of 1968 reduction	50,000	50,000			+500	+50,000	50,500		-50,000	-50,500	50,500		+50,500
Boll weevil investigations:													
A. Restoration of 1968 reduction	100,000	100,000			+2,700	+100,000	102,700		-100,000	-102,700	102,700		+102,700
(34)													
Mississippi, Stoneville—Production research on soybean (for research on weeds in cotton at this location see item (18) above):													
A. Restoration of 1968 reduction	40,000	40,000			+700	+40,000	40,700		-40,000	-40,700	40,700		+40,700
(35)													
Nebraska, Lincoln—Research to improve protein content of cereal and other grains:													
A. Restoration of 1968 reduction	28,000	28,000			+400	+28,000	28,400	\$14,200	-13,800	-14,200	28,400		+14,200
(36)													
Texas, Beaumont—Research to improve protein content of cereal and other grains:													
A. Restoration of 1968 reduction	14,000	14,000			+200	+14,000	14,200		+200		14,200		
(37)													
Texas, Brownsville—Research to reduce costs of producing cotton:													
A. Restoration of 1968 reduction	10,000	10,000			+200	+10,000	10,200		-10,000	-10,200	10,200		+10,200
(38)													
Texas, College Station—Research to reduce costs of producing cotton (for research on toxicological and pathological effects of pesticides and livestock at this location see item (22) above):													
A. Restoration of 1968 reduction	25,000	25,000			+200	+25,000	25,200		-25,200	-25,200	25,200		+25,200
(39)													
Texas, Lubbock—Research to reduce costs of producing cotton (for cotton ginning research at this location see item (23) above):													
A. Restoration of 1968 reduction	82,000	82,000			+2,200	+82,000	84,200		-82,000	-84,200	84,200		+84,200
(40)													
Utah, Logan—Research on sugar beet quality:													
A. Restoration of 1968 reduction	5,000	5,000			+200	+5,000	5,200		-5,000	-5,200	5,200		+5,200
(41)													
Washington, Prosser—Weeds in horticultural and specialty crops:													
A. Restoration of 1968 reduction	50,000	50,000			+1,200	+50,000	51,200		-50,000	-51,200	51,200		+51,200
(42)													
Washington, Pullman—Production research on dry peas and lentils:													
A. Restoration of 1968 reduction	60,000	60,000			+1,300	+60,000	61,300		-60,000	-61,300	61,300		+61,300
(43)													
Wisconsin, Madison—Oat breeding and analytical evaluation research:													
A. Restoration of 1968 reduction	40,000	40,000			+1,000	+40,000	41,000		-40,000	-41,000	41,000		+41,000
(44)													
The Netherlands, Rotterdam—Research on maintenance of quality of agricultural products for export (in addition, a budget request of \$346,900 for this activity is included in item (17) of special table No. 3):													
A. Restoration of 1968 reduction	87,000	87,000					87,000		-87,000	-87,000	87,000		87,000
Total for work in existing facilities:													
A. Restoration of 1968 reduction	1,072,000	1,072,000			+18,300	+1,072,000	1,090,300	84,300	-98,700	-1,006,000	1,090,300		+1,006,000
B. Additional research requested in 1969 budget estimate													
Grand total:													
A. Restoration of 1968 reduction	2,955,100	2,955,100			+31,600	+2,955,100	2,986,700	1,094,300	-1,860,800	-1,892,400	2,986,700		+1,892,400
B. Additional research requested in 1969 budget estimate	22,369,300	22,369,300			+241,500	+2,837,400	24,998,400	23,161,000	+791,700	-1,837,400	24,998,400		+1,837,400
	25,324,400	2,955,100	550,200	22,919,500	+273,100	+4,792,500	27,985,100	24,255,300	-1,069,100	-3,729,800	27,985,100		+3,729,800

SPECIAL TABLE NO. 2.—RESEARCH PLANNED WITH BASE FUNDS IN THE 1968 APPROPRIATION ACT BUT DEFERRED IN 1968 PURSUANT TO PUBLIC LAW 90-218

[Note.—The distribution of the amount in the House bill was made by the Department]

Item	Appropriation, 1968	Obligations, 1968	Budget estimate, 1969 ¹	House bill	House bill compared with—		Senate committee recommendation	Senate committee recommendation compared with—	
					1968 appropriation	1969 budget estimate		1969 budget estimate	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. For work in new facilities, Animal husbandry:									
Meat animal research: Nebraska, Clay Center..... ⁽¹⁾	\$2,000		\$2,000	\$2,000			\$2,000		
B. For work in existing facilities:									
Animal husbandry:									
Sheep breeding: Idaho, Dubois..... ⁽²⁾	14,800		14,800		—\$14,800	—\$14,800	14,800		+\$14,800
Dairy production: Maryland, Beltsville..... ⁽³⁾	39,200		39,200		—39,200	—39,200	39,200		+39,200
Dairy herd improvement: Maryland, Beltsville..... ⁽⁴⁾	1,900		1,900		—1,900	—1,900	1,900		+1,900
Bee nutrition and management: Texas, College Station..... ⁽⁵⁾	11,200		11,200		—11,200	—11,200	11,200		+11,200
General reduction..... ⁽⁶⁾	2,100		2,100		—2,100	—2,100	2,100		+2,100
Subtotal, Animal husbandry.....	69,200		69,200		—69,200	—69,200	69,200		+69,200
Animal disease research:									
Cattle: Iowa, Ames..... ⁽⁷⁾	30,000		30,000		—30,000	—30,000	30,000		+30,000
Sheep: Iowa, Ames..... ⁽⁸⁾	10,000		10,000		—10,000	—10,000	10,000		+10,000
Poultry: Iowa, Ames..... ⁽⁹⁾	30,000		30,000		—30,000	—30,000	30,000		+30,000
Swine: Iowa, Ames..... ⁽¹⁰⁾	30,000		30,000		—30,000	—30,000	30,000		+30,000
General reduction..... ⁽¹¹⁾	25,400		25,400		—25,400	—25,400	25,400		+25,400
Subtotal, animal disease research.....	125,400		125,400		—125,400	—125,400	125,400		+125,500
Crops:									
Sugar beet breeding: California, Salinas..... ⁽¹²⁾	30,000	600	30,600	30,600	+600		30,600		
General reduction..... ⁽¹³⁾	22,400		22,400		—22,400	—22,400	22,400		+22,400
Subtotal, crops.....	52,400	600	53,000	30,600	—21,800	—22,400	53,000		+22,400
Entomology:									
Insect taxonomy: District of Columbia..... ⁽¹⁴⁾	45,000	1,100	46,100		—45,000	—46,100	46,100		+46,100
Parasite rearing program: Missouri, Columbia..... ⁽¹⁵⁾	75,000		75,000		—75,000	—75,000	75,000		+75,000
General reduction..... ⁽¹⁶⁾	16,700		16,700		—16,700	—16,700	16,700		+16,700
Subtotal, entomology.....	136,700	1,100	137,800				137,800		+137,800
Soil and water conservation: General reduction..... ⁽¹⁷⁾	35,000		35,000		—35,000	—35,000	35,000		+35,000
Agricultural engineering:									
Environmental study of poultry diseases: Georgia, Athens..... ⁽¹⁸⁾	25,000	400	25,400		—25,000	—25,400	25,400		+25,400
General reduction.....	1,400		1,400		—1,400	—1,400	1,400		+1,400
Subtotal, Agricultural engineering..... ⁽¹⁹⁾	26,400	400	26,800		—26,400	—26,800	26,800		+26,800
Utilization research and development: develop new and improved milk products and efficient processing techniques: District of Columbia.....	71,500	1,700	73,200		—71,500	—73,200	73,200		+73,200
Total.....	518,600	3,800	522,400	32,600	—486,000	—489,800	522,400		+489,800

¹ Includes increased pay costs for the full year.

SPECIAL TABLE NO. 3.—ADDITIONAL FARM UTILIZATION, NUTRITION, AND MARKETING RESEARCH IN EXISTING FACILITIES

[Note.—The distribution of the amount in the House bill was made by the Department]

	1968	1969 budget	House bill	House bill compared with—		Senate com- mittee rec- ommendation
	obligations	estimates		1968 obligations	1969 budget estimates	
	(1)	(2)	(3)	(4)	(5)	(6)
To initiate research on methods to improve care and handling of laboratory animals..... ⁽¹⁾		\$50,700			—\$50,700	
Research on bluetongue disease in cattle..... ⁽²⁾	¹ \$321,100	425,600	² \$325,600	+ \$4,500	—100,000	
Research to improve protein content in corn, wheat, and rice..... ⁽³⁾	60,800	² 214,900	²³ 61,200	+400	—153,700	
Improving peanut quality..... ⁽⁴⁾	93,900	145,000	² 94,300	+400	—50,700	
Control of aquatic weeds at Fort Lauderdale, Fla..... ⁽⁵⁾		50,700			—50,700	
To develop better methods for determining the amounts of pesticides in soils and water..... ⁽⁶⁾	339,800	392,900	² 342,300	+2,500	—50,600	
Research on effects of air pollutants on shade and ornamental trees..... ⁽⁷⁾		50,600			—50,600	
Research on disease control in ornamental plants..... ⁽⁸⁾	574,300	⁴ 621,600	² 581,600	+7,300	—40,000	
Research to increase the production of dry peas and lentils..... ⁽⁹⁾	26,400	41,600	² 26,600	+200	—15,000	
Research on the biological control of cotton insects..... ⁽¹⁰⁾	41,400	130,800	² 41,800	+400	—89,000	
To determine the effect of agriculture on the nitrogen content of surface and ground water..... ⁽¹¹⁾	32,700	83,000	² 33,000	+300	—50,000	
Research on mechanizing the harvesting and handling of vegetables..... ⁽¹²⁾	94,400	120,000	² 94,700	+300	—25,300	
Research on condensation, drying, and preservation of whey..... ⁽¹³⁾	80,900	184,700	² 81,700	+800	—103,000	
Research on factors contributing to air pollution from citrus pulp driers..... ⁽¹⁴⁾		42,900			—42,900	
To develop processing techniques to eliminate "Salmonella" from meat and meat products..... ⁽¹⁵⁾	72,900	146,600	² 73,600	+700	—73,000	
Human nutrition research on the mineral and vitamin content of foods..... ⁽¹⁶⁾	110,500	180,500	² 111,500	+1,000	—69,000	
Research on quality and improved transportation and handling of U.S. products to foreign markets..... ⁽¹⁷⁾	147,500	⁵ 346,900	² 148,900	+1,400	—198,000	
Total.....	1,996,600	3,229,000	² 2,016,800	+20,200	—1,212,200	

¹ An additional nonrecurring amount of \$40,000 was available from the contingency research fund.² Increase over 1968 is to provide for Pay Act costs on a full-year basis.³ Excludes \$42,600 provided for this activity in items 30, 31, 35, and 36 in special table No. 1.⁴ Excludes \$57,100 provided for this activity in item 31 in special table No. 1.⁵ Excludes \$87,000 provided for this activity in item 44 in special table No. 1.

SOIL AND WATER

Mr. HOLLAND. Mr. President, the committee has reduced the contract authorization for the advance ACP program for calendar 1969 to \$195,500,000. For many years, this program has been carried at the \$220 million level, but last year, pursuant to Public Law 90-218, the \$220 million authorization of a year ago was reduced to \$195,500,000. It was found that the amount necessary to liquidate this authorization is \$190 million, and that is the amount carried in the House bill.

The committee has proposed this reduction in the advance authorization for the ACP only because of the general fiscal situation which presently prevails, and also because it appears Agriculture accepted the reduction to the \$195.5 million in good faith and we believe will continue to do so.

SMALL WATERSHED CONSTRUCTION PROGRAM

The Senate has repeatedly attempted to obtain a better balance in funding between the installation of works of improvement in the small watershed program versus the planning of new projects. Last year, some progress was made in this regard and the Appropriation Act contained new obligatory authority of \$70,403,000. This amount included river basin surveys and investigations, and a separate appropriation item is proposed for these surveys in order to provide a clearer presentation of the funding of works of improvement. In other words, we divided the two items this year.

The budget estimate proposed reducing this item to \$33,368,000 for fiscal 1969.

The House bill provided \$56,220,000 and the Senate committee has recommended appropriations of \$57,907,000. This amount, plus estimated carryover funds of \$5,691,000, will provide a total operating level for the coming year of \$63,598,000. The appropriated amount recommended is \$1,687,000 over the House bill, and \$24,539,000 over the estimate, but is still \$3,993,000 under the 1968 Appropriation Act.

Approximately one-third of the cost of watershed projects is financed by contributions from State and local jurisdictions. It seemed very unfair to the committee and, I am sure it did in the other body, that such a drastic reduction should be made in a construction program embodying such substantial amounts of cost sharing.

Mr. President, that concludes my prepared statement, but I do want to comment on one item which was not included in my statement. In the bill this year we determined, regretfully in many cases, that we could not provide money for the construction of any new research facilities, much as we would like to have done so. There were some members of the committee who would have been reached in the construction of soil and water research laboratories in due course, this year, if we had continued to follow up the priorities that had been agreed upon, in Senate Document 59, based upon feasibility reports requested in prior years.

We were all of the opinion, however, that in view of the fiscal condition of this country, the better policy was to withhold appropriations this year for planning of

new facilities and construction. That we have done.

Mr. President, I now yield gladly to my highly cooperative and exceedingly able colleague, the ranking Republican on the subcommittee, the Senator from Nebraska [Mr. HRUSKA], who has been so very helpful and so very cooperative in the hearings and in the preliminary meeting before we voted the bill out of the subcommittee, and in the subcommittee and in the full committee, and who, I am sure, will recall many things that I have failed to mention. I yield now to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, before beginning my comments on the bill, I should like to pay a personal tribute to the sound, careful, and thoughtful manner in which this bill has been handled by the chairman of the Agricultural Subcommittee, the distinguished Senator from Florida [Mr. HOLLAND]. It can be said that his mode of conducting hearings, assembling information, and completing consideration of this bill is a model by which others may judge their own conduct when they are similarly placed in a position of leadership such as that which he occupies.

I comment briefly, first, upon the concluding remarks of the chairman of the subcommittee; namely, the steadfast resistance of the subcommittee, and in turn the committee itself, to allowance of funds for construction of new projects. They went so far as to include expansion of those facilities which have already been started. Our only hope is that inasmuch as we are among the first

on this kind of bill, we will not have committed ourselves to a course of conduct which may not be followed in full measure by other appropriations processes.

However, we are taking our colleagues and our fellow committees in good faith and we will hope for the best.

The bill this year carries almost exactly the same total figure as that contained in it as it came from the House. The House bill authorized \$5,524 million. The Senate bill total differs by about one-fifth of 1 percent. We authorize \$12 million more, for a total of \$5,536 million. Although the Senate figure is a trifle more, it is likely that the ultimate cost of our bill will be somewhat less, since the increases in this bill are in authorizations for loans—for rural electrification and for farm operating loans by the Farmers Home Administration—which will be largely repaid, whereas the reductions contained herein from the House bill are in expenditures, which represent true savings of the taxpayer's dollar.

More important, both House and Senate versions represent a sharp cutback from the budget requests of the President. This is a true economy bill, in line with the program of austerity we have insisted upon in voting the Williams-Smathers amendment to the excise tax bill a few weeks ago. The President's budget requests total new obligational authority for 1969 of \$6,924 million. Your committee's bill has reduced those requests by almost exactly 20 percent in the amount of \$1,388 billion.

In view of the financial situation faced by our Nation, we have pared costs wherever we could find room for economies. This is a tight bill, a carefully and economically drafted bill, and I have no hesitation in defending the figures for appropriations which are here being presented. It is my hope that the Senate will approve this work, and then that other appropriations bills which may come along will be subjected to equally stringent and severe cost cutting, as we feel we have done in this measure. The farmer should not be required to absorb the major part of the burden of economizing; we feel he is doing his full share in this bill.

Many Senators may recall that in recent years it was usually the case that the Senate agricultural appropriations bill would show an apparent large increase over the figure in the bill as it came from the House. That was not because the Senators on the Agriculture Appropriations Subcommittee were spendthrifts. Rather, it was chiefly due to the difference in the bookkeeping treatment of one major item—the reimbursement to the Commodity Credit Corporation of losses and other costs which impaired the capital account of the CCC. For many years it has been the consistent position of the Senate that impairments of the capital account of the Commodity Credit Corporation should be reimbursed by appropriations in the Agriculture Appropriations Act. Such appropriations do not lead to expenditures, of course. The expenditures have already been made. The only issue is

whether the capital account of the Commodity Credit Corporation will be made whole again. Again and again in past years the Senator from Florida has insisted, with the full support of this Senator—and, this Senator's predecessor on that subcommittee—that such depletion of the capital structure of the Corporation should be repaired.

In so doing, we have merely been carrying out the express will of Congress, as embodied in Public Law 87-155, which provides that the funds of the CCC be restored as soon as the extent of the depletion of its capital has been determined.

Notwithstanding the clear provisions of this law and its intent to give the public the benefit of honest accounting and full disclosure of the facts, we have been faced with the problem repeatedly that the Budget Bureau and the President refrained from including in the budget a request for full reimbursement of the capital impairment of the CCC. By so doing, they have been able to make the budget look better by coming out with a smaller total figure for appropriations, but at the cost of honest accounting and a full disclosure of the facts.

Last year, when the President in January of 1967 sent forward his budget for the fiscal year 1968, it was known that the Commodity Credit Corporation had sustained losses during fiscal 1966 of \$2,985,000,000. Nevertheless, the President's budget request at that time did not request reimbursement of that figure as clearly intended by Public Law 87-155. Instead, at that time the Budget Bureau and the President asked for only \$1,400,000,000 to repair the depleted capital structure of the CCC. The House allowed only that figure—\$1,400,000,000, in accordance with the budget request. The Senate in its bill voted the full amount required to reimburse the CCC for its 1966 losses—\$2,985,000,000. Thus, the total of our appropriations bill last year looked larger than the House bill, even though the difference in this item was really only a different method of keeping books on expenditures which had already been made. In the conference, however, in order to reach agreement with the House, we were forced to yield, and the 1968 agriculture appropriations bill as finally enacted contained the lower figure—\$1,400,000,000.

That was last year.

This year, during our consideration of 1969 appropriations for the Agriculture Department and related agencies, the same problem arose, of course. Again, the Budget Bureau and the President have failed to comply with the law requiring reimbursement of the impairment of the capital structure of the Commodity Credit Corporation. The Corporation's losses for 1967 were \$3,813 million, but, in addition, there are now unreimbursed losses for 1966 and going back as far as 1961. This year the Budget Bureau failed to request reimbursement even of the full losses for 1967, to say nothing of the unreimbursed losses of previous years. The House did not even allow the full figure requested by the Budget Bureau.

Reluctantly, your committee has decided to go along with the House figure,

which is \$3,188,000,000. We have adopted this course because there seems to be no alternative. We found it impossible last year to persuade the House to adhere to the provisions of law providing for full reimbursement of the impairment of the Corporation's capital structure, and it seems futile to retread the same ground we trod so unsuccessfully last year. For that reason, reluctantly we have put in this bill the same figure approved by the House.

It should be said that this course, in my judgment, is a dangerous one. What we are doing is tampering with the capital resources of the Commodity Credit Corporation. We are eating into the Corporation's capital structure, and spending off the funds which should back up the guarantees we have given to the farmer of price supports and of payments. We are spending off those funds without replenishing them, even though there is law on the books which provides that the Corporation's capital structure should be reimbursed each year for losses incurred in carrying out authorized programs.

In this bill, as passed by the House and as reported by your committee, we are refusing to restore most of the loss for 1967, and, of course, there are still unreimbursed losses going back as far as fiscal 1961. Altogether, the unreimbursed losses of the Commodity Credit Corporation, including an estimated loss of \$3,465,300,000 for fiscal 1968, will total \$6,732.9 million.

By the end of the coming fiscal year, the borrowing authority of the Corporation will be down to \$1,247,000,000, a dangerously low level. This figure assumes just a "normal" rate of expenditures, with no unusual demands being made in the form of farm program costs or Public Law 480 shipments.

In short, the moment of truth approaches—the point in time when the Department of Agriculture can no longer carry on operating programs by eating into the Government's investment in the capital structure of the Corporation. As stated above, it is a dangerous policy being pursued. We in the Senate committee have reluctantly agreed to go along with the House determination in this matter, but only because we tried in the past to secure a change in this policy, and were unable to secure the concurrence of either the House or the Budget Bureau.

One other particular feature of this bill deserves special mention, because it represents a positive gain over the bad practices of previous years. I refer to our refusal to approve the request for permission to continue the sale of participation sales certificates, based on loans held by the Farmers Home Administration.

This is a point on which my respected and revered subcommittee chairman differs somewhat. Nevertheless, I want to say that in the matter of participation sales certificates based on loans held by the Farmers Home Administration, we have a change in policy this year which I think represents a betterment in our Government.

The President in his budget asked for authority to sell \$425 million of such cer-

tificates based on Farmers Home Administration assets. The House rejected the request in toto. We have agreed with the House position in full.

Mr. HOLLAND. Mr. President, will the Senator yield there?

Mr. HRUSKA. I yield.

Mr. HOLLAND. Were we not also influenced by the fact that the Department and Bureau of the Budget did not ask for a restoration of that amount?

Mr. HRUSKA. Yes, indeed; and, of course, the House was motivated by the very expensive method of financing represented by these participation sales certificates. The chairman is correct. After that action was taken, there was no request for restoration of it. It would have been a vain exercise, and we preferred not to go through all the strictures that would be necessary for this purpose.

Last year the agricultural appropriation bill, as it came to us from the House, incorporated authority for the sale of \$800 million in participation certificates on the basis of Farmers Home Administration assets. At that time it was my position that the practice should be reduced sharply and phased out as soon as possible. At that time, last year, I proposed that the authority be reduced from \$800 to \$600 million. The distinguished chairman of the subcommittee, reasonable and considerate as he always is, compromised with me on a figure of \$700 million in such certificates for the fiscal 1968 bill. The bill was reported in that form by the committee and approved by the Senate.

This year it is gratifying to be able to note that the authority for such certificates has been stricken from this bill entirely. I count that as a positive gain for good government.

This request to the Appropriations Committees to sell participation certificates is controlled by an amendment proposed by me to the enabling legislation, Public Law 89-429. My amendment required each department to come to the Appropriations Committees to seek authorization to participate in the program. In this instance, that requirement has enabled us to take control over this situation and reject the proposal this year that participation certificates be sold on the basis of assets of the Farmers Home Administration.

It has been carefully calculated that the excess cost to the taxpayer, in the form of the higher interest rates that must be paid, is about one-half of 1 percent per annum. This additional cost serves no useful purpose; participation certifications, like Treasury bonds, notes, or other forms of indebtedness, must be paid, both principle and interest. One-half percent per annum on \$425 million of participation certificates would therefore amount to something over \$2 million per year in completely useless expenditure.

In addition, the participation certificates are fundamentally a deceptive device whose principal effect is to deceive the public as to the total size of the public debt. The amount of outstanding cer-

tificates is not included in the U.S. bonded indebtedness. It would be my hope that we could avoid the use of them entirely.

Mr. President, one other aspect of this bill which should be clarified in the RECORD is the extent to which the appropriations herein contained are in fact for the benefit of other segments of the population than the farmer. In some ways, it is unfortunate that we allow all these items to be contained in this bill. This bill includes the cost of various programs for the benefit of the needy in the cities, certain types of foreign aid, the cost of programs to protect the consumer, and so forth. These and other programs are included in this bill, and then we find from time to time that critics of the farmer point to the gross total of appropriations in the agricultural appropriation bill, and refer to it all as "farm subsidies," which ought to be cut.

To help correct that misunderstanding—this is done periodically during the course of the year—I ask unanimous consent to have inserted at the conclusion of my remarks a table, taken from the Senate hearings, showing budget expenditures by the Department of Agriculture which are partly for the benefit of other segments of the population.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. President, for those of us who come from the agricultural regions of this country, it is sometimes sad, sometimes painful, to discuss the developments in the farm economy of recent years.

Agriculture is the mother of us all. Not so many generations ago, all of our forebears were farmers, or almost all of them. Today, agriculture still supplies us with the great part of our most basic necessities—food and clothing.

Yet it sometimes seems that today the farmer is the forgotten man in our society. The Secretary of Agriculture sometimes appears to be more concerned about the consumer than about the farmer. A new slogan, "The Affluent Society," has been applied to our era, but for the farmer that phrase is a cruel jest. He is not affluent; he is still caught as in a vise between rising costs of operation, and sluggish or falling prices received for what he produces.

Theoretically, we are engaged in a pursuit of parity for the farmer. In practice, under this administration that pursuit has become a sham and a pretense. Each year, it seems, with few exceptions the parity ratio—that is, the level of prices received by the farmer compared with the cost of what he must buy—sinks lower and lower. Last month the parity ratio fell to 73 percent—lower even than the depression level experienced in 1934, and nearly the lowest in modern times.

As a reflection of this depressed level of farm prices, farm income goes down and down. In 1967 total farm income was only \$14.9 billion. The year before it had been \$16.2 billion. So the farmer suffered a severe drop in income in 1967,

at a time when income for the nonfarm segment of the population increased sharply.

For 1968, we are told by the Department of Agriculture that farm income may recover part way from the decline experienced in 1967, but will still be well below even the level of 1966.

In 1966, which was the record high year for farm income, the per capita personal income for the farm population was only 65.1 percent as high as the average per capita income of the nonfarm population. In 1967 the situation was worse—per capita income on the farm was only 60.5 percent as high as for the nonfarm population.

We hear much these days about the problems of poverty, and the need for programs to alleviate those problems. We are importuned to tax the farms and the small towns for revenue to be given as grants to solve the urban problems of the great cities. Most of the time we are looking at the wrong place. We are told to look at the slums in the cities, but we should be looking at the poverty on the farms. With today's low farm prices—the parity ratio down to 73—is it not easy to understand the cause of this widespread rural poverty? How can we expect to make progress against rural poverty, unless we can reverse the downward tread in the parity ratio experienced under the Kennedy-Johnson administration?

In the face of these depressing conditions on the farm, our rural areas are being depopulated by a flight to the cities. During the past 8 years practically one farmer out of every four has been forced off the farm. In 1960, there were 4 million farms in America; today, there are barely 3 million. In Nebraska the number of farms has declined from 93,000 to 76,000, a loss of 17,000 farms in the short space of 8 years. The farms are being abandoned, and the towns in the farming regions are being deserted.

Mr. President, we sometimes hear it said that if all the so-called farm subsidies were cut out, it would make the job of budget balancing easier. If we should liquidate the farm programs, and liquidate the farmer also, would we not thereby be liquidating and destroying our food supply also? The farmer is losing ground fast enough. He is entitled to make a fair living, the same as the rest of the population. He is entitled to be placed in a position where he can continue his operations; and his problems are many. This agriculture appropriations bill is a tight bill. In this bill we have cut the farm programs as much as they can stand. In this bill the farmer is absorbing his share, and more than his share of the budget cutting problem that we face.

Again, I express the hope that following appropriation bills will also consider the budgetary situation and also that Senators will look at the pages of this appropriation bill, so that they may comport with the spirit and the figures in it.

Mr. President, I yield the floor.

EXHIBIT 1

BUDGET EXPENDITURES FOR PROGRAMS IN DEPARTMENT OF AGRICULTURE OF BENEFIT TO OTHER SEGMENTS OF THE POPULATION, FISCAL YEAR 1967, AND ESTIMATED 1968* (INCLUDES TRUST FUNDS AND REFLECTS IN ACCORDANCE WITH BUDGET CONCEPTS USED IN THE 1969 BUDGET)

[In millions of dollars]

Item	1967	1968 estimated	Item	1967	1968 estimated
Programs which clearly provide benefits to consumers, businessmen, and the general public:			Plant and animal disease and pest control.....	77	87
Programs having foreign relations and defense aspects:			Soil and water resource protection and development:		
Sales of agricultural commodities for foreign currencies and for dollars on credit terms (title I, Public Law 480).....	1,070	890	Agricultural conservation program.....	257	257
Commodities and other costs in connection with donations abroad (title II, Public Law 480).....	381	425	All other.....	255	277
Transfer of bartered materials to supplemental stockpile (net).....	24	24	Cooperative agricultural extension work.....	92	90
Donations of dairy products to armed services and others.....	-2	-1	Inspection of commodities and other marketing services.....	85	100
Other.....	-2	-1	Other.....	81	97
Subtotal.....	1,473	1,339	Subtotal.....	1,292	1,388
Food distribution programs (domestic):			Total.....	3,657	3,801
Commodities distributed to the needy and others.....	282	424	Other programs which are predominantly for stabilization of farm income, but which also benefit others:		
Food, stamp program.....	114	178	CCC price-support and related programs:		
School lunch program.....	208	220	CCC loan, purchase, export, and related programs.....	-1,317	-240
Special milk program.....	96	102	Storage, handling, and transportation expenses.....	261	121
Subtotal.....	700	924	Interest expense (net).....	302	304
REA and FHA repayable loans:			Acreage diversion payments:		
REA loans.....	412	471	Feed grains.....	542	634
Repayments of principal and interest.....	-274	-296	Wheat.....	27	-
FHA loans.....	-15	-103	Cotton.....	303	254
Salaries and expenses for loan programs.....	69	78	Price-support payments:		
Subtotal.....	192	150	Feed grains.....	799	326
Long-range programs for the improvement of agricultural and natural resources:			Cotton.....	489	611
Forestry.....	198	217	Wheat certificate program.....	276	346
Agricultural and forestry research.....	247	263	Cotton equalization payments.....	20	-
			National Wool Act program.....	33	61
			Subtotal.....	1,735	2,417
			Cropland adjustment program, adjustment payments.....	44	80
			Conservation reserve program.....	141	123
			Federal crop insurance program (net).....	-6	15
			Sugar Act program.....	82	86
			Salaries and expenses for above programs.....	175	183
			Total.....	2,171	2,904
			Grand total.....	5,828	6,705

Mr. HOLLAND. Mr. President, I certainly thank my distinguished colleague and counterpart for his able address and also for his constant help as we have gone along together in this effort.

Mr. President, my understanding now is that the Senate has given unanimous consent, at the conclusion of business, to recess until tomorrow morning at 9 o'clock, with other business to prevail until 9:30, at which time the consideration of this measure will be resumed.

I understand further that the Senate has given unanimous consent to a limitation of time on any or all amendments that may be offered to the bill tomorrow.

Mr. MUSKIE. The Senator is correct.

Mr. HOLLAND. Mr. President, I now ask the normal and customary unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as thus amended, be regarded as original text for the purpose of amendment, provided further that no point of order shall be considered to have been waived by reason thereof.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc, and the bill, as thus amended, will be regarded as original text for the purpose of amendment.

The amendments agreed to en bloc are as follows:

On page 3, line 10, after "\$100", strike out "\$125,972,500" and insert "\$131,950,600".

On page 4, line 4, after "(21 U.S.C. 114b-c)", strike out "\$85,298,500" and insert "\$88,239,500", and in line 11, after the word "per centum", insert a colon and "Provided further, That the Secretary is authorized to ac-

quire land for plant quarantine control activities presently located at Presidio, Texas".

On page 6, line 18, after the word "including", strike out "\$51,113,000" and insert "\$54,965,000"; at the beginning of line 23, strike out "\$3,370,000" and insert "\$3,485,000"; on page 7, line 1, after "(16 U.S.C. 582a-582a-7)", strike out "\$1,800,000" and insert "\$2,000,000"; at the beginning of line 6, strike out "\$2,000,000 for grants for facilities under the Act approved July 22, 1963 (7 U.S.C. 390-390k)"; and in line 15, after the word "all", strike out "\$58,958,000" and insert "\$61,125,000".

On page 8, line 1, after the word "Act", strike out "\$77,082,500" and insert "\$80,467,000", and in line 4, after the word "all", strike out "\$78,532,500" and insert "\$81,917,500".

On page 8, line 14, after the word "employees", strike out "\$8,818,500" and insert "\$9,333,500".

On page 11, after line 9, strike out:

"For necessary expenses to conduct river basin surveys and investigations, and research, and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended; \$65,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans."

On page 12, after line 3, insert:

"River basin surveys and investigations"

"For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways in accordance with section 6 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1006), to remain available until expended; \$8,780,000, with which shall be merged the unexpended balances of funds heretofore appropriated to the Department for river basin survey purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109."

On page 12, after line 17, insert:

"Works of improvement"

"For necessary expenses to carry out preventive measures, including, but not limited to, research, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), remain available until expended; \$57,907,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans."

On page 13, line 22, after the word "expended", strike out "\$20,000,000" and insert "\$17,500,000".

On page 14, line 15, after "(16 U.S.C. 590a-f)", strike out "\$6,256,000" and insert "\$6,474,000".

On page 15, line 18, after the word "products", strike out "\$12,789,000" and insert "\$13,089,000".

On page 16, line 15, after the word "laws", strike out "\$14,184,500" and insert "\$14,467,500".

On page 17, line 14, after "1946", strike out "\$118,989,500" and insert "\$116,314,500".

On page 18, line 18, after "(42 U.S.C. 1773-1785)", strike out "\$182,825,000" and insert "\$173,349,000"; in line 19, after the word "including", strike out "\$5,000,000" and insert "\$7,500,000"; in line 20, after the word "schools", strike out "\$3,500,000" and insert "\$4,500,000"; and in line 21, after the word "program", strike out "\$750,000" and insert "\$2,000,000".

On page 19, line 12, after the word "program", insert a colon and "Provided, That not to exceed \$2,500,000 of this appropriation shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year."

On page 20, line 15, after "(7 U.S.C. 1766)", strike out "\$21,153,800" and insert "\$21,928,800".

On page 22, at the beginning of line 18, strike out "\$80,000,000" and insert "\$82,000,000".

On page 24, line 1, after the word "to", strike out "\$220,000,000" and insert "\$195,500,000".

On page 25, line 22, after "(7 U.S.C. 1838)", strike out "\$84,500,000" and insert "\$85,700,000", and, after the amendment just above stated, to insert a colon and "Provided, That agreements entered into during the fiscal year 1969 shall not require payments during the calendar year 1969 exceeding \$30,500,000."

On page 27, line 11, after "5 U.S.C. 3109", strike out "\$12,276,000" and insert "\$12,576,000".

On page 27, line 18, after "5 U.S. 3109", strike out "\$2,565,300" and insert "\$3,065,300".

On page 27, line 24, after the word "service", strike out "\$4,461,000" and insert "\$4,761,000".

On page 28, line 6, after the word "Department", strike out "\$1,965,000" and insert "\$1,997,000".

On page 29, line 4, after the word "Library", strike out "\$3,166,500" and insert "\$3,419,000".

On page 29, line 14, after the word "Agriculture", strike out "\$2,821,000" and insert "\$2,862,200".

On page 30, at the beginning of line 18, strike out "\$304,000,000" and insert "\$329,000,000".

On page 31, line 9, after the word "loans", strike out "\$250,000,000" and insert "\$300,000,000".

On page 31, at the beginning of line 14, strike out "\$15,000,000" and insert "\$30,000,000", and in line 15, after the word "account", strike out "Provided, That farmer applicants for housing loans shall be required to offer only such collateral security as is required of owners of nonfarm tracts".

On page 32, at the beginning of line 7, strike out "\$3,500,000" and insert "\$5,000,000".

On page 32, line 16, after "(40 U.S.C. 440-444)", strike out "\$57,461,000" and insert "\$58,319,000".

On page 33, line 20, after the word "expenses", strike out "\$10,487,000" and insert "\$12,000,000".

On page 33, line 23, after the word "exceed", strike out "\$2,850,000" and insert "\$1,430,000".

On page 38, after line 2, strike out:

"Sec. 509. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1969 only to the extent that expenditure thereof shall not result in the net aggregate expenditure of Federal

funds by all agencies provided for herein beyond \$6,524,470,897 except by those Commodity Credit Corporation expenditures required by law which may exceed budget estimates therefor."

On page 38, at the beginning of line 10, change the section number from "510" to "509".

Mr. HOLLAND. Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill is open to amendment.

AMENDMENT NO. 837

Mr. HART. Mr. President, the able Senator from Florida has reminded us of the parliamentary situation that will apply tomorrow. It seems to be desirable that before we adjourn tonight, I outline an amendment which I shall offer. This will enable our colleagues to study the proposal as they review the Record before we come to the floor tomorrow.

I hope very much, Mr. President, that the amendment I offer and the remarks which I make in support of it will not be viewed as criticism of the able senior Senator from Florida, the able Senator from Nebraska, and their colleagues and ours on the Appropriations Committee.

Actually, I rise now to thank them for their support, as reflected by the figures that they recommend to us in the area of school feeding programs, of the effort which all of us are undertaking to insure that we do respond to what I think is a national concern increasingly felt about young children in this country. The Committee on Appropriations has recommended substantially larger sums for school lunch programs and for related aspects than our colleagues in the House of Representatives thought wise to adopt.

Having said that, I now realize that everything that will follow will sound very critical. I regret that. I know that it is not easy for the committee, even given the strong leadership of the Senator from Florida and the Senator from Nebraska, to recommend figures substantially higher than the House of Representatives saw fit to settle on. I repeat, I am grateful, and I know there are a great many children in this country who, though they will never know that we stand here tonight or that the Senate will vote tomorrow, will be in their debt.

I hope the Senators will join with me in going still further, in supporting what the amendment which several of us will offer will seek to accomplish.

How far would it take us? It would adopt the figures recommended by the President for a food service program for children. That is what I think we should do. If there was ever a year when concern about hunger crowded the conscience of this country, I think it is this year. Perhaps the message is communicated in a form which to some is offensive; but the message is being delivered; and, I think, all of us would agree that if, in this land, so rich, so strong, there go to bed at night even a thousand children who have not had a decent meal during the day, it offends our sense of right and wrong.

I think the bitter truth is that there are a great many thousands of children in this unhappy category. This ought not to be. Even if we were a less rich people,

we ought not to tolerate that. We should not be tolerant of ourselves until we can honestly say that we have used the delivery system which we have built into the schools of this country in such a fashion that no child who attends a school in our land will be without at least one nutritious meal a day.

That is what the effort of those of us who propose the amendment which I now send to the desk and ask to have printed seeks to achieve.

I offer the amendment, Mr. President, on behalf of the able Senator from Maine who is now Presiding Officer (Mr. MUSKIE in the chair), the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Ohio [Mr. YOUNG]. I am sure that in the morning I shall ask that additional names be added.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator is calling up his amendment, or simply sending it to the desk?

Mr. HART. I send it to the desk, and, if there is no objection, I ask that it be stated and become the pending business in the morning.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 18, lines 19 to 21, strike out "\$173,349,000, including \$7,500,000 for special assistance to needy schools, \$4,500,000 for the pilot school breakfast program, \$2,000,000 for the noonfood assistance program" and insert the following: "\$184,149,000, including \$10,000,000 for special assistance to needy schools, \$6,500,000 for the pilot school breakfast program, \$6,500,000 for the non-food assistance program, and \$2,300,000 for State administrative expenses".

Mr. HART. Mr. President, I urge that we respond today—now—to the national concern felt about hungry children—by appropriating the sums recommended by the Bureau of the Budget. I urge we restore the level of funding recommended by the President for food service programs for children. Both Houses of Congress are exploring ways to improve nutrition among our low-income families. Here we have a readymade delivery system that will get a good meal to hungry children. Here we have a delivery system that is in operation—is ready to roll—as fast as we will let it. We in the Congress built that delivery system—section 11 of the National School Lunch Act carries its own authorization—its own apportionment formula to get lunch to children in low-income area schools.

We enacted that legislation in 1962. We never provided the first penny until the 1965-66 fiscal year and we have been pennypinching on this one ever since. We knew when we enacted section 11 that a real need existed. We knew that hundreds of thousands of children had been bypassed by the lunch program because the schools and the children could not afford it. We have in recent years appropriated funds that provide an average rate of reimbursement of 4.5 cents in cash for the regular lunch program. That is not much, but together with the foods made available, thousands of schools and millions of children

have been able to participate in the lunch program.

There is a requirement in the School Lunch Act—we put that requirement in back in 1946 when we wrote the act—that children who cannot pay shall receive a lunch free or at a reduced price. We did not say just some children—we did not just give every school a quota of free meals. We intended that every child should have access to the lunch program and by access we meant economic access as well as physical access. We wanted all schools in the program and we wanted all the children to eat lunch that wanted to eat the lunch. When we took a good look at the program in 1962 we saw hundreds of schools and hundreds of thousands of children who had been left out—the schools could not start a lunch program because they had so many needy children that they could not afford a viable program. Other schools were in the program but they could afford only a handful of free or reduced price meals—not nearly enough to meet the need.

We recognized that simply increasing the total amount of funds for the program would not do the job. We needed to focus—we needed to direct a special level of assistance to low-income area schools so they could get into the lunch program and to stay in. We authorized an appropriation of \$10 million for the first year of operation but we did not approve a penny. Almost 6 years later we are still cutting back, cutting back. Perhaps we can congratulate ourselves that we have an Appropriations Committee recommendation for \$7.5 million—but it is a 50-percent increase over what was a totally inadequate amount last year. I think we should approve the budget request for \$10 million.

I want to insert in the RECORD a table showing what each State received under section 11 in fiscal years 1967 and 1968. In my own State of Michigan, the public schools received \$43,000 this year. There are 38 public schools in the entire State participating under section 11. You know and I know that there are far more than 38 public schools in Michigan that could well use section 11 money to open or strengthen a lunch program. I suggest you look at how much your State received—will that amount feed your hungry children?

We enacted the school breakfast program as part of the Child Nutrition Act of 1966. It was put on a 2-year pilot basis and just a few weeks ago we extended the breakfast program for an additional 3 years with a 1969 authorization of \$6,500,000. We were told over and over again by school officials that the need for this program is great. Too many children fall asleep at their desks—too many

youngsters are apathetic, or restless or sick to their stomachs from hunger—the morning is a waste of the child's time—the teacher's time—the school's time.

The Appropriations Committee did approve \$4.5 million—I believe we should move for the entire \$6.5 million authorized and requested.

I would like to insert in the RECORD tables showing what each State received for the breakfast program in fiscal years 1967 and 1968. And again I would ask that each of you take a look at the funds provided to your State. Do you believe this reaches all the youngsters in your poor downtown elementary schools who show up with no breakfast? Do you believe this reaches all your rural schools where children may have been riding a bus for an hour or more and show up hungry?

We enacted a provision authorizing assistance to low-income area schools when we approved the Child Nutrition Act of 1966. Once again, this was an effort to get at the heart of a real problem—to get to those schools that could not afford the basic non-food assistance equipment to get the program underway. The small, isolated rural school—the downtown elementary school—all too frequently have no facilities for food service. We all know that neighborhood elementary schools were built with the idea that children would walk home to lunch. But with millions of working mothers in these neighborhoods there is no one at home to prepare lunch and the children must shift for themselves.

As in the case of section II special assistance—as in the case of the breakfast program—we have done well in getting substantive legislation on the books. We roll up tremendous majorities with wide bipartisan support when we come forward with legislative proposals that are soundly based and carefully designed to pinpoint the assistance where it is most needed. When it comes to funding, we have another situation entirely. The administration asks for, pleads for, reasonable amounts that will get things moving. So, for equipment, we approved for fiscal 1967 the magnificent sum of \$750,000 to be distributed nationwide for the purchase of food service equipment. The same sum, \$750,000, for 1968.

I want to insert two tables that will show each of you how much your State received in assistance for the purchase of equipment in fiscal years 1967 and 1968. This year, the Senate Appropriations Committee does propose \$2 million to be made available nationwide. I urge that we approve the full \$6 million requested. We must make a real breakthrough in our urban elementary schools

and we must make it possible for remote rural schools to offer a food service. Each year of delay means just one more year of poor nutrition for these children.

This leads me to the final and very important point. In the Child Nutrition Act of 1966, we authorized assistance to State agencies that administer the school food-service programs. We did that deliberately and thoughtfully. We did it because we knew that the hardest tasks lay ahead of these dedicated people. We were asking them to go out and get breakfast programs operating, make section 11 function in schools that would be coming into the program for the first time. Schools in low-income areas that would need a maximum of technical assistance and guidance if they were to have viable programs. We were asking that these school lunch staffs review every request for equipment assistance—that they analyze each request in terms of what is really needed to initiate or expand food service. We are asking them for innovation and imagination to do this at the least possible cost. To work with each school or school district—to explore the feasibility of providing meals prepared in an existing or centralized kitchen to serve a number of satellite schools—to make sure that every penny of equipment money is used wisely and well.

School lunch people through the years have been real experts in getting the most mileage possible out of every nickel and dime. They have to be—their young clients inevitably disappear in droves if the lunch price inches up a notch too high. Frankly, I think it is about time we face up to the fact that we have really imposed too long on the dedication of these people. In virtually every State the State staff is understaffed and underpaid even to cope with the existing regular lunch program. They are woefully understaffed and underpaid to take on what we are now asking—to go the last mile and reach out to the last child not now reached.

I urge your support for this amendment. In these programs we know precisely what we are doing—we know that every penny of Federal assistance goes to serve a youngster a good meal or to make it possible to serve a youngster a good meal at minimum price. We know these programs work. We know the money requested is really a modest amount. Let us provide it.

Mr. President, I ask unanimous consent to have printed in the RECORD certain tables showing the apportionment of funds under the various categories for fiscal years 1967 and 1968.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

NATIONAL SCHOOL LUNCH PROGRAM—SPECIAL ASSISTANCE APPORTIONMENT, BY STATE, SEC. 11, FISCAL YEAR 1967

State	Free lunches ¹	Assistance need rate ²	State index in units of 100 ³	Percent ⁴	Total apportionment ⁵	State agency	District office
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Alabama.....	6,548,963	7.2	471,525	0.0285129	\$55,315	\$54,209	\$1,106
Alaska.....	1,189,130	5.0	59,457	.0035953	6,975	6,975	-----
Arizona.....	3,390,099	5.7	193,236	.0116849	22,669	19,054	3,615
Arkansas.....	7,176,768	7.6	545,434	.0329821	63,985	62,383	1,602
California.....	6,673,197	5.0	333,660	.0201762	39,142	39,142	-----
Colorado.....	1,885,934	5.0	94,297	.0057021	11,062	9,229	1,833
Connecticut.....	704,091	5.0	35,205	.0021288	4,130	4,130	-----
Delaware.....	136,708	5.0	6,835	.0004133	802	786	16
District of Columbia.....	2,592,110	5.0	129,606	.0078372	15,204	15,204	-----
Florida.....	13,920,684	5.7	793,479	.0479812	93,083	90,954	2,129
Georgia.....	15,016,891	6.4	961,081	.0581160	112,745	112,745	-----
Guam.....	151,465	-----	-----	(.0027686)	166	94	72
Hawaii.....	989,486	5.0	49,474	.0029917	5,804	3,183	2,621
Idaho.....	292,456	6.0	17,547	.0010611	2,058	1,852	206
Illinois.....	3,178,375	5.0	158,919	.0096097	18,643	18,643	-----
Indiana.....	2,497,451	5.0	124,873	.0075510	14,649	14,649	-----
Iowa.....	2,104,426	5.3	111,535	.0067445	13,084	9,354	3,730
Kansas.....	1,104,441	5.1	56,326	.0034060	6,608	6,608	-----
Kentucky.....	10,101,094	6.7	676,773	.0409241	79,393	79,393	-----
Louisiana.....	16,569,222	6.6	1,093,568	.0661274	128,287	128,287	-----
Maine.....	1,403,806	6.2	87,036	.0052630	10,210	7,612	2,598
Maryland.....	1,872,768	5.0	93,638	.0056622	10,985	8,182	2,803
Massachusetts.....	3,823,656	5.0	191,183	.0115607	22,428	22,428	-----
Michigan.....	4,375,224	5.0	218,766	.0132287	25,664	19,845	5,819
Minnesota.....	2,725,501	5.2	141,726	.0085701	16,626	12,351	4,275
Mississippi.....	5,100,657	8.6	438,657	.0265253	51,459	51,459	-----
Missouri.....	3,946,736	5.2	205,230	.0124101	24,075	24,075	-----
Montana.....	1,083,486	5.6	60,675	.0036690	7,118	5,647	1,471
Nebraska.....	1,576,311	5.4	85,121	.0051472	9,985	6,983	3,002
Nevada.....	225,071	5.0	11,254	.0006805	1,320	1,308	12
New Hampshire.....	577,303	5.3	30,597	.0018502	3,589	3,589	-----
New Jersey.....	2,198,455	5.0	109,923	.0066470	12,895	6,654	6,241
New Mexico.....	3,559,643	6.1	217,138	.0131302	25,473	25,473	-----
New York.....	60,821,434	5.0	3,041,072	.1838919	356,750	356,750	-----
North Carolina.....	12,588,833	6.7	843,452	.0510031	98,946	98,946	-----
North Dakota.....	765,861	6.0	45,952	.0027787	5,391	3,758	1,633
Ohio.....	7,517,597	5.0	375,880	.0227293	44,095	33,543	10,552
Oklahoma.....	3,705,709	6.1	226,048	.0136690	26,518	26,518	-----
Oregon.....	647,520	5.0	32,376	.0019578	3,798	3,798	-----
Pennsylvania.....	10,692,743	5.0	534,637	.0323292	62,719	41,136	21,583
Puerto Rico.....	52,762,059	-----	-----	(.9644405)	57,867	57,867	-----
Rhode Island.....	133,245	5.0	6,662	.0004028	781	781	-----
South Carolina.....	13,009,265	7.6	988,704	.0597864	115,986	114,560	1,426
South Dakota.....	1,040,325	6.6	68,661	.0041519	8,055	8,055	-----
Tennessee.....	11,359,234	6.9	783,787	.0473952	91,947	90,813	1,134
Texas.....	12,247,878	5.8	710,377	.0429561	83,335	78,324	5,011
Utah.....	1,561,486	5.7	89,005	.0053821	10,441	10,328	113
Vermont.....	442,576	7.0	26,555	.0016058	3,115	3,115	-----
Virginia.....	6,133,188	5.7	349,592	.0211396	41,011	39,961	1,050
Virgin Islands.....	1,512,931	-----	-----	(.0276550)	1,659	1,659	-----
Washington.....	1,562,005	5.0	78,100	.0047227	9,162	7,652	1,510
West Virginia.....	5,694,138	6.8	387,201	.0234138	45,423	44,634	789
Wisconsin.....	2,716,995	5.1	138,567	.0083791	16,255	9,218	7,037
Wyoming.....	129,750	5.3	6,877	.0004158	807	807	-----
Samoa, American.....	280,972	-----	-----	(.0051359)	308	308	-----
Total.....	336,017,462	-----	16,537,279	1.0000000	2,000,000	1,905,011	94,989

¹ Number of free or reduced-price lunches served in the preceding fiscal year by program schools.² A need rate of 5 is assigned to any State having an average annual per capita income for the past 3 years (1963, 1964, and 1965) equal to or greater than the U.S. average. The need rate for any State with a per capita income less than the United States is obtained by dividing the U.S. average by such State's average and multiplying by 5, except that no State's need rate may exceed 9.³ Free lunches multiplied by assistance need rate (col. 1 times col. 2).⁴ Percent State Index is of total index. For Guam, Puerto Rico, Virgin Islands, and American Samoa, the percent is obtained by dividing free and reduced-price lunches of each territory by the total of such lunches served by all 4 territories.⁵ Total apportionment, col. 5, less 3 percent (\$1,940,000) times each State's percent, col. 4. Apportionment for Guam, Puerto Rico, Virgin Islands, and American Samoa is based on 3 percent of \$2,000,000 or \$60,000.

NATIONAL SCHOOL LUNCH PROGRAM—SEC. 11 APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1968

State	Free lunches ¹	Assistance need rate ²	State index in units of 100 ³	State percent ⁴	Total apportionment ⁵	State agency	District office
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Alabama.....	7,697,372	7.2	554,211	2.85736	\$138,582	\$136,710	\$1,872
Alaska.....	1,281,481	5.0	64,074	.33034	16,021	16,021	-----
Arizona.....	3,421,804	5.8	198,465	1.02323	49,627	41,576	8,051
Arkansas.....	10,375,102	7.4	767,758	3.95835	191,980	188,979	3,001
California.....	8,559,532	5.0	427,977	2.20654	107,017	107,017	-----
Colorado.....	2,004,834	5.1	102,247	.52715	25,567	22,212	3,355
Connecticut.....	696,608	5.0	34,830	.17958	8,710	8,710	-----
Delaware.....	157,413	5.0	7,871	.04058	1,968	1,950	18
District of Columbia.....	3,142,273	5.0	157,114	.81004	39,287	39,287	-----
Florida.....	18,603,931	5.7	1,060,424	5.46725	265,162	260,998	4,164
Georgia.....	19,062,663	6.4	1,220,010	6.29004	305,067	305,067	-----
Guam.....	163,889	-----	-----	(.28584)	429	265	164
Hawaii.....	1,189,411	5.0	59,471	.30661	14,870	9,019	5,851
Idaho.....	357,648	5.9	21,101	.10880	5,277	4,765	512
Illinois.....	2,486,311	5.0	124,316	.64094	31,086	31,086	-----
Indiana.....	2,630,924	5.0	131,546	.67821	32,893	32,893	-----
Iowa.....	2,073,092	5.2	107,801	.55579	26,956	19,125	7,831
Kansas.....	1,249,146	5.2	64,956	.33490	16,243	16,243	-----
Kentucky.....	10,862,168	6.7	727,765	3.75216	181,980	181,980	-----
Louisiana.....	11,573,915	6.6	763,878	3.93834	191,009	191,009	-----
Maine.....	1,379,696	6.0	82,782	.42680	20,700	15,803	4,897
Maryland.....	2,201,000	5.0	110,050	.56739	27,518	22,227	5,291
Massachusetts.....	4,089,597	5.0	204,480	1.05424	51,131	51,131	-----
Michigan.....	4,270,733	5.0	213,537	1.10094	53,396	43,161	10,235
Minnesota.....	2,573,570	5.2	133,826	.68997	33,463	25,024	8,439
Mississippi.....	6,090,925	8.5	517,729	2.66927	129,460	129,460	-----
Missouri.....	4,548,580	5.2	236,526	1.21946	59,144	59,144	-----
Montana.....	1,067,653	5.7	60,856	.31376	15,217	12,107	3,110
Nebraska.....	1,660,825	5.3	88,024	.45383	22,011	15,663	6,348
Nevada.....	258,579	5.0	12,929	.06666	3,233	3,213	20

Footnotes at end of table.

NATIONAL SCHOOL LUNCH PROGRAM—SEC. 11 APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1968—Continued

State	Free lunches ¹	Assistance need rate ²	State index in units of 100 ³	State percent ⁴	Total apportionment	State agency	District office
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
New Hampshire	580,103	5.3	30,745	.15851	\$7,688	\$7,688	
New Jersey	2,229,992	5.0	111,500	.57486	27,881	16,171	\$11,710
New Mexico	4,237,773	6.3	266,980	1.37648	66,759	66,759	
New York	67,601,109	5.0	3,380,055	17.42664	845,192	845,192	
North Carolina	24,984,735	6.7	1,673,977	8.63056	418,582	418,582	
North Dakota	759,148	6.2	47,067	.24267	11,769	8,527	3,242
Ohio	7,247,899	5.0	362,395	1.86841	90,618	70,807	19,811
Oklahoma	4,331,572	6.0	259,894	1.33994	64,987	64,987	
Oregon	690,184	5.0	34,509	.17792	8,629	8,629	
Pennsylvania	10,565,524	5.0	528,276	2.72364	132,096	90,900	41,196
Puerto Rico	54,525,929			(95.10042)	142,650	142,650	
Rhode Island	161,135	5.0	8,057	.04154	2,015	2,015	
South Carolina	18,565,754	7.4	1,373,866	7.08328	343,539	340,929	2,610
South Dakota	1,019,980	6.4	65,279	.33656	16,323	16,323	
Tennessee	12,356,937	6.8	840,272	4.33221	210,112	207,730	2,382
Texas	16,013,891	5.9	944,820	4.87124	236,255	225,526	10,729
Utah	1,731,689	5.8	100,438	.51783	25,115	24,824	291
Vermont	448,600	5.9	26,467	.13645	6,618	6,618	
Virginia	8,068,618	5.7	459,911	2.37118	115,002	113,382	1,620
Virgin Islands	1,651,204			(2.87992)	4,320	4,320	
Washington	1,652,832	5.0	82,642	.42608	20,665	17,788	2,877
West Virginia	6,024,818	6.8	409,688	2.11224	102,444	100,955	1,489
Wisconsin	2,514,151	5.0	125,708	.64811	31,433	19,587	11,846
Wyoming	126,112	5.4	6,810	.03512	1,703	1,703	
Samoa, American	994,087	9.0		(1.73382)	2,601	2,601	
Total	384,814,451		19,395,910	100.00000	5,000,000	4,817,038	182,962

¹ Number of free or reduced-price lunches served in the preceding fiscal year by program schools.² A need rate of 5 is assigned to any State having an average annual per capita income for the past 3 years (1964, 1965, and 1966) equal to or greater than the U.S. average. The need rate for any State with a per capita income less than the United States is obtained by dividing the U.S. average by such State's average and multiplying by 5, except that no State's need rate may exceed 9.³ Free lunches multiplied by assistance need rate (col. 1 times col. 2).⁴ Percent State index is of total index. For Guam, Puerto Rico, Virgin Islands, and American Samoa, the percent is obtained by dividing free and reduced-price lunches of each territory by the total of such lunches served by all 4 territories.⁵ Total apportionment, col. 5, less 3 percent (\$4,850,000) times each State's percent, col. 4. Apportionment for Guam, Puerto Rico, Virgin Islands, and American Samoa is based on 3 percent of \$5 million or \$150,000.

CHILD NUTRITION ACT OF 1966—PILOT BREAKFAST PROGRAM, APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1967

State	Apportionment ¹	State agency	District office	State	Apportionment ¹	State agency	District office
	(1)	(2)	(3)		(1)	(2)	(3)
Alabama	\$37,807	\$36,871	\$936	Nevada	\$37,807	\$37,489	\$318
Alaska	37,807	37,807		New Hampshire	37,807	37,807	
Arizona	37,807	36,205	1,602	New Jersey	37,807	32,773	5,034
Arkansas	37,807	36,691	1,116	New Mexico	37,807	37,087	
California	37,807	37,807		New York	37,807	37,807	
Colorado	37,807	34,958	2,849	North Carolina	37,807	37,807	
Connecticut	37,807	37,807		North Dakota	37,807	33,519	4,288
Delaware	37,807	37,410	397	Ohio	37,807	33,874	3,933
District of Columbia	37,807	37,807		Oklahoma	37,807	37,807	
Florida	37,807	36,990	817	Oregon	37,807	37,807	
Georgia	37,807	37,807		Pennsylvania	37,807	33,003	4,804
Guam	11,345	6,575	4,770	Puerto Rico	37,807	37,807	
Hawaii	37,807	35,442	2,365	Rhode Island	37,807	37,807	
Idaho	37,807	36,635	1,172	South Carolina	37,807	37,384	423
Illinois	37,807	37,807		South Dakota	37,807	37,807	
Indiana	37,807	37,807		Tennessee	37,807	37,178	629
Iowa	37,807	33,110	4,697	Texas	37,807	36,252	1,555
Kansas	37,807	37,807		Utah	37,807	37,633	174
Kentucky	37,807	37,807		Vermont	37,807	37,807	
Louisiana	37,807	37,807		Virginia	37,807	37,146	661
Maine	37,807	33,535	4,272	Virgin Islands	11,345	11,345	
Maryland	37,807	36,456	1,351	Washington	37,807	36,675	1,132
Massachusetts	37,807	37,807		West Virginia	37,807	36,993	814
Michigan	37,807	34,029	3,778	Wisconsin	37,807	30,321	7,486
Minnesota	37,807	32,944	4,863	Wyoming	37,807	37,807	
Mississippi	37,807	37,807		Samoa, American	11,346	11,346	
Missouri	37,807	37,807		Total	2,000,000	1,925,266	74,734
Montana	37,807	35,361	2,446				
Nebraska	37,807	31,755	6,052				

¹ Funds appropriated were not sufficient to fully implement the apportionment formula prescribed in the Child Nutrition Act. Therefore, funds available were apportioned on a prorated basis in accordance with sec. 4(b)(1) only.

CHILD NUTRITION ACT OF 1966—PILOT BREAKFAST PROGRAM, APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1968

State	Basic apportionment, sec. 4(b)(1)	Remainder apportionment, sec. 4(b)(2)	Total apportionment, cols. 1 and 2	State agency	District office ¹	State	Basic apportionment, sec. 4(b)(1)	Remainder apportionment, sec. 4(b)(2)	Total apportionment, cols. 1 and 2	State agency	District office ¹
	(1)	(2)	(3)	(4)	(5)		(1)	(2)	(3)	(4)	(5)
Alabama	\$50,000	\$25,989	\$75,989	\$74,139	\$1,850	Indiana	\$50,000	\$19,709	\$69,709	\$69,709	
Alaska	50,000	740	50,840	50,840		Iowa	50,000	16,204	66,204	58,308	\$7,896
Arizona	50,000	7,374	57,374	54,944	2,430	Kansas	50,000	10,332	60,332	60,332	
Arkansas	50,000	16,111	66,111	64,395	1,716	Kentucky	50,000	25,354	75,354	75,354	
California	50,000	32,943	82,943	82,943		Louisiana	50,000	36,012	86,012	86,012	
Colorado	50,000	8,388	58,388	54,591	3,797	Maine	50,000	4,671	54,671	48,386	6,285
Connecticut	50,000	7,577	57,577	57,577		Maryland	50,000	11,400	61,400	59,492	1,908
Delaware	50,000	2,076	52,076	51,578	498	Massachusetts	50,000	19,349	69,349	69,349	
District of Columbia	50,000	1,378	51,378	51,378		Michigan	50,000	21,690	71,690	65,562	6,128
Florida	50,000	34,424	84,424	82,796	1,628	Minnesota	50,000	19,696	69,696	61,231	8,465
Georgia	50,000	38,668	88,668	88,668		Mississippi	50,000	22,682	72,682	72,682	
Guam	15,000	717	15,717	10,533	5,184	Missouri	50,000	20,799	70,799	70,799	
Hawaii	50,000	5,473	55,473	51,992	3,481	Montana	50,000	2,730	52,730	49,538	3,192
Idaho	50,000	3,714	53,714	51,981	1,733	Nebraska	50,000	6,626	56,626	48,293	8,333
Illinois	50,000	25,529	75,529	75,529		Nevada	50,000	696	50,696	50,337	359

Footnote at end of tables.

CHILD NUTRITION ACT OF 1966—PILOT BREAKFAST PROGRAM, APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1968—Continued

State	Basic apportion- ment, sec. 4(b)(1)	Remainder apportion- ment, sec. 4(b)(2)	Total apportion- ment, cols. 1 and 2	State agency	District office ¹
	(1)	(2)	(3)	(4)	(5)
New Hampshire	\$50,000	\$2,527	\$52,527	\$52,527	
New Jersey	50,000	11,025	61,025	53,989	\$7,036
New Mexico	50,000	6,158	56,158	56,158	
New York	50,000	55,373	105,373	105,373	
North Carolina	50,000	43,407	93,407	93,407	
North Dakota	50,000	4,300	54,300	48,431	5,869
Ohio	50,000	34,114	84,114	76,000	8,114
Oklahoma	50,000	11,831	61,831	61,831	
Oregon	50,000	7,837	57,837	57,837	
Pennsylvania	50,000	34,716	84,716	74,807	9,909
Puerto Rico	50,000	23,380	73,380	73,380	
Rhode Island	50,000	1,512	51,512	51,512	
South Carolina	50,000	26,045	76,045	75,197	848
South Dakota	50,000	3,504	53,504	53,504	

State	Basic apportion- ment, sec. 4(b)(1)	Remainder apportion- ment, sec. 4(b)(2)	Total apportion- ment, cols. 1 and 2	State agency	District office ¹
	(1)	(2)	(3)	(4)	(5)
Tennessee	\$50,000	\$26,796	\$76,796	\$75,580	\$1,216
Texas	50,000	40,514	90,514	87,058	3,456
Utah	50,000	6,964	56,964	56,787	177
Vermont	50,000	1,509	51,509	51,509	
Virginia	50,000	24,420	74,420	73,299	1,121
Virgin Islands	15,000	702	15,702	15,702	
Washington	50,000	10,914	60,914	59,198	1,716
West Virginia	50,000	10,423	60,423	59,178	1,245
Wisconsin	50,000	16,009	66,009	53,679	12,330
Wyoming	50,000	1,447	51,447	51,447	
Samoa, American	15,000	422	15,422	15,422	
Total	2,645,000	855,000	3,500,000	3,382,080	117,920

¹ Nonprofit private schools disbursement effected in accordance with sec. 10 of National School Lunch Act, as amended, exclusive of the matching provision.

CHILD NUTRITION ACT OF 1966—NONFOOD ASSISTANCE, APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1967

State	Apportionment ¹	State agency	Private schools	State	Apportionment ¹	State agency	Private schools
	(1)	(2)	(3)		(1)	(2)	(3)
Alabama	\$23,319	\$22,742	\$577	Nevada	\$658	\$652	\$6
Alaska	805	805		New Hampshire	2,091	2,091	
Arizona	6,651	6,369	282	New Jersey	9,935	8,612	1,323
Arkansas	13,996	13,583	413	New Mexico	5,530	5,530	
California	30,868	30,868		New York	46,971	46,971	
Colorado	7,363	6,808	555	North Carolina	37,312	37,312	
Connecticut	6,666	6,666		North Dakota	3,805	3,373	432
Delaware	1,658	1,641	17	Ohio	30,050	26,924	3,126
District of Columbia	1,133	1,133		Oklahoma	10,640	10,640	
Florida	29,728	29,086	642	Oregon	6,985	6,985	
Georgia	32,928	32,928		Pennsylvania	29,956	26,150	3,806
Guam	557	323	234	Puerto Rico	20,247	20,247	
Hawaii	4,770	4,472	298	Rhode Island	1,398	1,398	
Idaho	3,419	3,313	106	South Carolina	23,166	22,907	259
Illinois	22,674	22,674		South Dakota	3,234	3,234	
Indiana	17,231	17,231		Tennessee	24,242	23,839	403
Iowa	14,368	12,583	1,785	Texas	35,117	33,672	1,445
Kansas	8,586	8,586		Utah	5,878	5,851	27
Kentucky	22,281	22,281		Vermont	1,347	1,347	
Louisiana	30,468	30,468		Virginia	21,409	21,034	375
Maine	4,107	3,643	464	Virgin Islands	600	600	
Maryland	10,138	9,776	362	Washington	9,567	9,281	286
Massachusetts	17,246	17,246		West Virginia	9,480	9,276	204
Michigan	19,726	17,755	1,971	Wisconsin	14,201	11,389	2,812
Minnesota	17,182	14,972	2,210	Wyoming	1,335	1,335	
Mississippi	20,370	20,370		Samoa, American	159	159	
Missouri	18,357	18,357					
Montana	2,413	2,257	156				
Nebraska	5,679	4,770	909				
				Total	750,000	724,515	25,485

¹ Apportioned on the same basis as provided under sec. 4 of National School Lunch Act, as amended, except that apportionment to American Samoa is on the same basis as other States.

CHILD NUTRITION ACT OF 1966—NONFOOD ASSISTANCE, APPORTIONMENT OF FUNDS, BY STATE, FISCAL YEAR 1968

State	Apportionment ¹	State agency	District office	State	Apportionment ¹	State agency	District office
	(1)	(2)	(3)		(1)	(2)	(3)
Alabama	\$22,797	\$22,242	\$555	Nevada	\$610	\$606	\$4
Alaska	737	737		New Hampshire	2,217	2,217	
Arizona	6,468	6,194	274	New Jersey	9,671	8,556	1,115
Arkansas	14,133	13,766	367	New Mexico	5,402	5,402	
California	28,897	28,897		New York	48,573	48,573	
Colorado	7,358	6,880	478	North Carolina	38,076	38,076	
Connecticut	6,647	6,647		North Dakota	3,772	3,364	408
Delaware	1,821	1,804	17	Ohio	29,924	27,037	2,887
District of Columbia	1,208	1,208		Oklahoma	10,378	10,378	
Florida	30,197	29,615	582	Oregon	6,874	6,874	
Georgia	33,919	33,919		Pennsylvania	30,453	26,891	3,562
Guam	629	422	207	Puerto Rico	20,509	20,509	
Hawaii	4,800	4,499	301	Rhode Island	1,326	1,326	
Idaho	3,259	3,154	105	South Carolina	22,847	22,592	255
Illinois	22,393	22,393		South Dakota	3,073	3,073	
Indiana	17,288	17,288		Tennessee	23,505	23,133	372
Iowa	14,215	12,520	1,695	Texas	35,539	34,182	1,357
Kansas	9,063	9,063		Utah	6,108	6,089	19
Kentucky	22,241	22,241		Vermont	1,324	1,324	
Louisiana	31,590	31,590		Virginia	21,421	21,098	323
Maine	4,097	3,626	471	Virgin Islands	615	615	
Maryland	10,000	9,689	311	Washington	9,574	9,304	270
Massachusetts	16,973	16,973		West Virginia	9,143	8,955	188
Michigan	19,027	17,401	1,626	Wisconsin	14,043	11,420	2,623
Minnesota	17,277	15,179	2,098	Wyoming	1,269	1,269	
Mississippi	19,896	19,896		Samoa, American	371	371	
Missouri	18,245	18,245					
Montana	2,395	2,250	145				
Nebraska	5,813	4,958	855				
				Total	750,000	726,530	23,470

¹ Apportioned on the same basis as provided under sec. 4 of National School Lunch Act, as amended.

Mr. HOLLAND. Mr. President, replying only briefly, because we shall be discussing this matter tomorrow, our committee has provided in connection with the school lunch program, the full amount of the budget request for the regular school lunch program, cash payments to States. The House of Representatives authorized an additional amount, over the 1969 budget estimate and the Department of Agriculture requested that we strike out those additional amounts, because they are not in a position to carry out the increased program proposed, since their programs have already been established.

We increased the funds provided in the House bill for the section 11 assistance to needy children. These funds go to children in areas that are very poor, and in this program the Federal Government pays a larger portion of the cost. We enlarged also the funds for the special pilot school breakfast program, as well as the funds for the nonfood assistance program, which is for refrigerators and other types of equipment for schools that simply cannot afford to furnish that type of equipment for themselves.

We did not, as our distinguished friend from Michigan has already stated,

go to the full budgeted amount, because we have had considerable experience with our colleagues in the House of Representatives, and we know something of the feeling that we will encounter in conference. We know also that we have increased existing programs by substantially large percentage amounts. For instance, for section 11 funds, we have provided a 50-percent increase over this year's appropriation, from \$5 million to \$7.5 million. We have increased the pilot school breakfast program by \$1 million, from \$3.5 million to \$4.5 million, and the nonfood assistance by \$1,250,000; from \$750,000 to \$2 million.

I think that we cannot get by with any more than that with the other body. We do not believe that the agencies can reasonably absorb any more than that.

We are increasing the programs very rapidly, and we ask the understanding and tolerance of our friends, the Senator from Michigan and some of the others. There are some of these program that we cannot increase any faster than we are doing. We think we are going as fast as possible and that we have accomplished the best balance possible under the circumstances in a program which

has many complexities and many different methods of approaching the problem of hunger for the children and particularly the children who are dependent and come from homes where they are not getting sufficient food. We have given our full attention to this field.

RECESS TO 9 A.M. TOMORROW

Mr. HOLLAND. Mr. President, unless there is further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate now stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 52 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, May 29, 1968, at 9 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate May 28 (legislative day of May 27), 1968:

MISSISSIPPI RIVER COMMISSION

Roy T. Sessums, of Louisiana, to be a member of the Mississippi River Commission for a term of 9 years.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

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Issued May 31, 1968
For actions of May 29, 1968
90th-2nd; No. 93

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HIGHLIGHTS: Senate passed agricultural appropriation bill.

SENATE

1. APPROPRIATIONS. Passed with amendments H. R. 16913, the agricultural appropriation bill (pp. S6606-12, S6614-27, S6633-44). Conferees were appointed (p. S6644). Adopted amendments by Sen. Hart to increase by \$4.5 million funds for items under "School Lunch Program," (\$2.5 million for special assistance to needy schools - total \$10,000,000, and \$2 million for the pilot school breakfast program - total \$6.5 million) (pp. S6606-12), and by Sen. Javits, 31-30,

to strike the provision which restricts the use of Section 32 funds for purposes other than commodity program expenses (pp. S6634-43). Rejected amendments by Sen. Williams (Del.), 19-45, to limit to \$10,000 the maximum amount that may be paid during fiscal year 1969 to any producer participating in any ~~program~~ (pp. S6615-25) and by Sen. Williams (Del.), 16-47, to reduce by ~~\$4.5~~ million funds for the agricultural conservation program (pp. S6625-7, S6633-4). A point of order was sustained against an amendment by Sen. Williams (Del.) to prohibit after Jan. 1, 1969, payment to any producer under any program in excess of \$10,000 for any one year (p. S6615).

2. RECREATION. Passed as reported S. 444, to establish the Flaming Gorge National Recreation Area in Utah and Wyoming. pp. S6612-4
3. CIVIL DEFENSE. Passed without amendment H. R. 15004, to amend the Federal Civil Defense Act of 1950, so as to extend for 4 years certain civil defense authorities that otherwise would expire on June 30, 1968. This bill will now be sent to the President. pp. S6603-5
4. DISASTER RELIEF. S. 438, to provide additional assistance for areas suffering a major disaster was ordered to lie on the table. p. S6666
5. FOREIGN AFFAIRS. Sen. Ellender discussed the report of his "findings on our U. S. Government operations in the countries of south Asia" and inserted tables "on the question of foreign aid funds derived from the industrialized countries of the world and the membership of these same countries in aid groups formed on a multilateral basis." pp. S6644-54
6. FORESTRY; RECLAMATION. Sen. Byrd, W. Va., inserted Richard D. Lane's, FS, paper, "The Forest Service Reclamation Research Program." pp. S6712-4
7. FOREIGN TRADE. Sen. Bartlett expressed support for the President's proposed Trade Expansion Act of 1968. p. S6701
8. EXPENDITURES. Sen. Gruening opposed reduction in essential domestic programs, stated that "No need exists in 1968 for any citizen to go hungry", and inserted an AFL-CIO statement on "indiscriminate budget slashing." pp. S6679-80
9. MEAT. Sen. Bartlett said there is a possibility that the marketing of reindeer meat has commercial potential, and inserted an article on efforts to improve and promote the reindeer industry. pp. S6678-9
10. REPORTS. Received from GAO reports on: reducing the cost of providing Federal agencies with certain supplies; standardization of allowances under Federal fellowship and traineeship grants programs; financing of salary costs of retired Civil Service annuitants reemployed by Federal agencies; and improve designs of buildings to achieve better utilization of space; to Government Operations Committee. p. S6672

If the amendment is adopted, and 2 years from now there is a request for an extension of these authorizations, in my opinion, we will have a request that will be as much as \$50 million a year in authorization instead of the \$25 million maximum that now applies.

The \$25 million, of course, is the Federal Government's contribution, which must be matched by States and cities. In many cases, the States and cities spend much more than that.

Just how valuable this agency is to the country is, of course, a debatable question. I hope we never have to put it to the supreme test—that is, its functioning in time of atomic or nuclear attack. But this activity has designated many millions of shelter areas. It has stocked shelters with food and water for those who may have to use temporary shelter to avoid the disastrous effects of radiation.

I hope the Senate will not agree to the amendment because Civil Defense will be back here 2 years from now, in my opinion, and we will be fighting an increase in the authorization.

I freely concede that there have been instances of political usage of this agency as the Senator from Ohio has brought out in times past, where old cronies have been rewarded, but the Office of Civil Defense is in existence and it has done some good work.

I know that in my own State of Georgia it has been extremely helpful to some of our small communities. At times when they have had no water available, Civil Defense has brought in water supply systems that it has held in emergency storage.

Mr. President, in my opinion, it would be a serious mistake to accept this amendment or to defeat the authorization.

Mr. PASTORE. Mr. President, I wish merely to say a word on this point. First of all, I applaud the Senator from Ohio for his sincerity and consistency with respect to this matter. I have disagreed with him with equal consistency. Of course, persistency does not prove that he is right and I am wrong, or vice versa.

But, I am chairman of the Joint Committee on Atomic Energy and our committee has gone into these matters in quite some depth.

I do not think protection is a waste of money. It is like saying that if I buy fire insurance on my house and it has the good fortune not to burn down, then I have wasted money on the premiums.

Well, we hope and pray to God that we will never suffer a nuclear holocaust. For it has been said with authority that if we should have a surprise nuclear attack, 250 million people could be killed at the very first blow.

I quite agree with the Senator from Ohio that if that bomb strikes, at the point where it strikes it may make little difference whether that point has any shelters or not.

Indeed and—God forbid—if an atomic bomb did drop on Chicago and the wind began to blow toward Ohio and there were shelters in Ohio, there then certainly would be some protection for the people in Ohio. It all depends on the

circumstances. We all hope a nuclear holocaust does not happen, but the cold fact is that the world is spending billions of dollars building up nuclear and thermonuclear stockpiles. There are in existence today enough nuclear and hydrogen bombs to destroy everything that man has built from the time of beginning.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RUSSELL. Mr. President, I yield time to the Senator from Rhode Island.

Mr. PASTORE. I do not want to prolong the debate but the point I want to make is that there has to be some point at which we draw the line. It may be true that we have been fumbling along in some respects. But we need a little time to work it out. I would hope that any abuses to which the Senator from Ohio has referred might be remedied, but, at the same time, it would be most unfortunate if we wrote this whole agency off. That would be a tragic decision.

I hope the amendment is defeated.

Mr. YOUNG of Ohio. Mr. President, do I have any time left?

The PRESIDING OFFICER. All time on the bill has expired.

Mr. YOUNG of Ohio. I urge that my amendment be adopted.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Ohio.

The amendment was rejected.

The PRESIDING OFFICER. The question now is on the third reading and passage of the bill.

The bill (H.R. 15004) was ordered to a third reading, was read the third time, and passed.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare; the Committee on the District of Columbia; and the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary all be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

Mr. HOLLAND obtained the floor.

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield one-half minute to me?

Mr. HOLLAND. I am very happy to yield to the majority leader.

Mr. MANSFIELD. I want to add to the

unanimous-consent request of yesterday, and ask unanimous consent that 1 hour of debate be allowed on the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor and without having any time allocated on the bill used, for the purpose of suggesting the absence of a quorum?

Mr. HOLLAND. I yield for that purpose.

The PRESIDING OFFICER. Without objection, the time is charged to neither side, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent, with no time being allotted from the agriculture appropriations bill, that the Senate turn to the consideration of the nominations on the Executive Calendar.

The PRESIDING OFFICER. Does the Senator from Florida yield for that purpose?

Mr. MANSFIELD. Mr. President, I asked that no time be allotted.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THE U.S. AIR FORCE

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

IN THE U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I make the same request for those nominations.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

IN THE U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, same request.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

IN THE U.S. MARINE CORPS

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. MANSFIELD. Mr. President, same request.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—IN THE AIR FORCE, IN THE ARMY, IN THE MARINE CORPS

The ASSISTANT LEGISLATIVE CLERK. Nominations on the Secretary's desk in the Air Force, in the Army, and in the Marine Corps.

Mr. MANSFIELD. Mr. President, same request.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed the consideration of legislative business.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be discontinued.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, we now go on controlled time on the amendment offered by the distinguished Senator from Michigan, Senator Hart, and other Senators.

AMENDMENT NO. 837

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. HART]. Under the previous agreement, the time is to be equally divided between both sides, the time being 1 hour on each amendment.

The Senator from Michigan is recognized. To whom does he yield time, and how much time?

Mr. HART. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. HART. Mr. President, late yesterday after this bill was laid before the Senate, the able Senator from Florida outlined the recommendations before us, following which I offered the amendment that is now pending.

At that time, I made an explanation suggesting the reasons why some of us in the Senate feel that restoration to the budget recommendation in the four areas covered by my amendment would be very desirable.

I think all of us have had an opportunity, overnight, to read in the RECORD, the explanation in support of the amendment. During the interval, I have, frankly, thought of no additional reasons to suggest in support of it. Very briefly, it proposes increases in four areas.

The first would be in what is known as the section 11 money. Here we seek to enable the poorest school districts and the poorest schools in areas of really hard core poverty to have an opportunity to give the children in those schools hot lunches.

This program was first authorized in 1962, but not funded until fiscal 1966. At that time, the sum of \$2 million was appropriated. We maintained that level in 1967, and increased the amount to \$5 million in 1968. This year, the administration recommendation in the budget request is an increase to \$10 million. That amount is reflected in the amendment now pending.

The House of Representatives has set a figure of \$5 million; and to the great credit of our Committee on Appropriations, as I see it, they recommend a figure of \$7.5 million.

Of the four areas which are covered in the amendment I have offered, this, I think, is the most critical. I feel that this is the attitude of school administrators and those otherwise concerned with the welfare of the children of this country. This program is most important.

The second in the order of importance and need is the pilot school breakfast program. This program attempts to assist schools in providing hot breakfasts for children. As I indicated in my remarks yesterday, reports are frequent that children come to school lethargic, having had no morning meal, or certainly no hot meal, as a consequence of which the morning is wasted with a detrimental effect on the child as well as on others in the classroom.

This program was first authorized in 1966. The first appropriation, in the amount of \$2 million, was made in 1967. In 1968, the amount was increased to \$3.5 million. For fiscal 1969, the budget request is for \$6.5 million. Our committee—and wisely, I believe—has increased the figure of \$3.5 million sent us by the House of Representatives to \$4.5 million. My amendment, as it relates to the pilot school breakfast program, would increase that figure to the budget request of \$6.5 million, or an increase of \$2 million.

Mr. President, the third and fourth areas covered by this amendment relate to what is described as non-food assistance. This is a program which attempts to assist States which already are making efforts in this area to obtain equipment for the schools. Tragically, where the need of the children is greatest, the school plant is generally the oldest; it was built before the days of hot lunches, when everyone went home for lunch. Generally, even though the children in those schools go home for lunch now, most of them do not go home to houses of light—or food, either. I believe this is a very worthwhile effort on the part of the Federal Government. It was first authorized in 1966, but in the succeeding 2 years the appropriation has been held to a figure of \$750,000.

The PRESIDING OFFICER. (Mr. BURDICK in the chair). The Senator's time has expired.

Mr. HART. I yield myself 5 additional minutes.

That amount does not buy very many refrigerators, food containers, or anything else, when spread across 50 States.

The budget request is for \$6 million. My amendment would increase the amount our committee has recommended—\$2 million—to the budget figure. The House of Representatives—unhappily, as I see it—has retained the figure of \$750,000.

The second of the remaining two programs would help State school people extend the several programs we are talking about in this subject area, by providing \$2.3 million for State administrative expense. We have never funded in this area, although it was authorized in 1966. This provision would enable technical assistance to be provided, and would be especially valuable for schools coming into one or more of these programs for the first time.

Mr. President, as I did yesterday, I again acknowledge the appreciation of those of us who, over these years, have been especially interested in school lunch programs, to the Committee on Appropriations, and particularly to the Senator from Florida [Mr. HOLLAND]. In the bill that our committee presents us, in the first three of the areas I have described, the committee responds much more adequately to what I think is an obvious and serious need in this country than did our colleagues in the House of Representatives.

For this we are all grateful, and in a sense embarrassed at now having to take the floor and, by implication at least, suggest that the action of our fellow Senators on the committee was not adequate. Mr. President, it was infinitely better than that of our colleagues at the other end of the hall, and I think it quite in order that I repeat my appreciation.

Mr. President, to summarize, the most critical area is that of section 11 feeding. The next most critical area is extending increased support of the school breakfast program. The remaining two items are of real interest, and reflect a response we believe should be made to an established need as we see it. I hope, Mr. President, that the day will soon be at hand when Congress will step up to an adequate level its response to the needs in all of these areas.

I have had a visit this morning with the able Senator from Florida, and I know he has some reactions to my proposals, reactions which I would describe as praiseworthy and constructive. I anticipate that he will voice some further reactions to my remarks.

Mr. HOLLAND. Mr. President, I yield myself 5 minutes.

I am glad that the Senator from Michigan has made it clear that our committee has gone considerably farther than our colleagues at the other end of the hall in taking care of these needs of the poor children, or the children in impoverished areas, because we have. My own feeling is that we have gone about as far as is reasonable under the conditions existing; and I now recite what we have done.

We have raised the \$5 million figure for section 11 that was contained in the bill last year—and that was reported in the House by its committee and passed by the House—to \$7.5 million, which is a 50-percent increase for the section 11 poor schools. The budget had requested \$10 million.

I would have no great objection to the granting of that \$10 million, although I have told my distinguished friend that I do not have any great optimism about this having any practical bearing upon our colleagues at the other end of the Capitol. I have found them quite indisposed to step up this program. I would be willing, however, to step up this particular figure to the entire budget request, insofar as I am concerned. In discussing the matter with the Senator from Nebraska [Mr. HRUSKA] and the Senator from Georgia [Mr. RUSSELL]—who is in a sense one of the founders of this whole school lunch program—I find that they are in accord with me that we could do this provided the Senate agreed to accept the amount of \$10 million suggested by the amendment of the Senator from Michigan.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HOLLAND. I will yield in just a moment.

We could do the same thing with reference to the suggested increase in the special pilot breakfast program in which we have already increased the action of the other body and the action of last year from \$3.5 million to \$4.5 million, as reported and recommended by our committee. We would be willing to take that to the full budget amount of \$6.5 million. But again, it would be without any great optimism as to what the result will be in conference.

I want to make it very clear that if the Senate accepts the amendment, as far as I am concerned, I am willing to stand for it in conference, and I am sure that is true with respect to the remainder of the committee.

As to the other items, I do not think it would be practical this year.

We have already stepped up the amount with respect to nonfood assistance, which provides refrigerators, kitchen utensils, and other equipment of that type, from \$750,000 as provided in last year's appropriation, and the same level approved this year by the House, to \$2

million, which is an increase of nearly three times. We think that is as much as could be expected in any one year.

I hope that the Senator from Michigan will not insist on any increase of that amount. If he did, I would have to oppose it.

Likewise, on the item for aiding States in their administrative expense, which as I recall was \$2,300,000 in the budget, we have not only run into adamant opposition at the other end of the Capitol on this, but also many members of our own committee, of whom the chairman of the subcommittee is one, feel that this is a very unfortunate provision because, in the first place, it is a very small item spread out over a great many States and, in the next place, it establishes a precedent of our supplying Federal funds to do something that certainly the States in which the schools are located are well able to do for themselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional 5 minutes.

Mr. HOLLAND. I hope, therefore, that the Senator from Michigan will not insist on any restoration in that particular field.

So far as the Senator from Florida is concerned, if the amendment can be confined to the first two items and if it can be confined to the reestablishment of the budgeted amounts on those two items, the Senator from Florida would be willing to recommend to the committee and to the Senate that the amendment be accepted and taken to conference subject to the understanding that the Senator from Florida will strongly insist upon the adoption of the amendment in conference, but without too great optimism as to the final success in that amount.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished Senator from Florida. I interrupted him when I did because I will be conducting a one-man hearing in 5 minutes, and I think I ought to be there because the witnesses have come.

First of all, I appreciate very much the sensitivity which the Senator from Florida and his committee have shown to this problem in the bill which they have reported to the floor.

I listened last night to the colloquy between the distinguished Senator from Florida and the distinguished Senator from Michigan, and I concur wholeheartedly in the sentiments expressed by the Senator from Michigan on that score. And this is an especially sensitive problem at this time. We are aware of that because of the events occurring in this city. But I think that also across the country there is a wave of concern about the problem of hungry children and hungry people generally. I think we need to show all possible sensitivity to the problem at this moment.

I think the Senator from Florida in his action this morning toward the

amendment of the Senator from Michigan—which I was happy to sponsor along with other Senators—is revealing that sensitivity. I think the compromise which is being worked out here reflects the Senator's concern over the practical legislative problem which the Senator has indicated.

Before I rushed off to the hearing, I wanted to indicate my feeling in respect to the trend of events that are occurring.

Mr. HOLLAND. Mr. President, I thank the Senator from Maine for his gracious remarks, and I thank the Senator from Michigan for his gracious remarks.

There is apparently one of our brethren who does not understand this situation as it is understood by all of us who are here this morning. I note in the CONGRESSIONAL RECORD of several days ago a statement made by one of our Senators to the effect that the lunches for 1 million children were involved in this item. The Senators know that is not the case at all.

The Federal Government is itself the cost carrier of these new programs. These are not programs like the regular school lunch program in which the State and local governments have to carry the major portion of the cost and in which the Federal Government carries only 4.5 percent of the cost of the lunch.

This is a new experimental program of the Federal Government in an attempt to do something for children who are getting nothing at all and who probably need the lunches worse than any other group on the average that could be found. And it is only a few thousand lunches we are talking about—which is enough for us all to be concerned about—rather than a million lunches as was so generously mentioned by our brother who apparently did not understand the scope of the problem at all.

These two suggested increases have to do with programs entirely financed by the Federal Government, entirely directed to the bringing of some very poor children into the lunch program, partly for school lunches and partly for pilot breakfast lunches, and wholly at Federal cost. I want the RECORD to show that.

If there is any disposition to amend the amendment as I have suggested, I am told by the other side of the aisle, so ably represented by the Senator from Nebraska [Mr. HRUSKA], that he would have no objection to that course. And I am told by the grandfather of the school lunch program, the able senior Senator from Georgia [Mr. RUSSELL], that he would have no objection to it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I yield myself an additional 2 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional 2 minutes.

Mr. COOPER. Mr. President, I am very pleased with the agreement that has been made concerning the amendment of the Senator from Michigan. Several years ago the Senator from Michigan [Mr. HART] and I introduced an amendment to provide the first funds for sec-

tion 11, and made some progress at that time. A similar objective has been attained today.

I am familiar with the problem not only because of its application in Kentucky, and particularly the eastern part of Kentucky.

I am glad to say that the school lunch program in Kentucky reaches over 60 percent of the children—the sixth highest percentage of any State. It has been an effective program in Kentucky. It is larger in scope than the programs of almost all the metropolitan States, including the State of New York. But there is a problem for those people who are the least able to pay, with three or four or more children, who cannot meet even the charges that are required. The unfortunate result has been that those who are the neediest have been deprived at times of the lunch. I must say that I am very happy about this amendment.

I know the tremendous labors of the Senator from Florida [Mr. HOLLAND] in this field because I had the honor of serving with him on the Committee on Agriculture. I appreciate very much his action, and that of the Senator from Nebraska [Mr. HRUSKA], upon this amendment, in which I join, and which has been sponsored by the humane and able Senator from Michigan [Mr. HART].

Mr. President, while the amendment of the Senator from Michigan is now before the Senate, I would like to comment also on several other provisions of the bill.

The bill before the Senate, H.R. 16913, provides funds to carry out during fiscal 1969 the farm programs and the functions of the Department of Agriculture. During my service in the Senate, I have supported the programs important to farm families, and while I no longer serve as a member of the Senate Committee on Agriculture, of course, Kentucky is largely a rural State and my interest in agriculture continues.

I realize the debate is proceeding under a limitation of time, but I would like to touch briefly on certain items in this appropriations bill.

First, I know that rural electric cooperatives and members of individual REA's have been deeply concerned that the amount for rural electrification loans recommended by the budget and approved for the House of Representatives, be maintained by the Senate. I have found the leadership provided by the rural electric cooperatives in Kentucky to be responsible, and they recognize the importance of fiscal restraint at this time. But they know also that the ability of the rural systems to provide and maintain proper service must be maintained. The action of the Senate Committee on Appropriations recommends an increase of \$25 million over the \$304 million provided by the House, and I believe this to be helpful and prudent.

Second, I have called attention each year to the good work of the county agents and the home demonstration agents through the Extension Service. I recall that last year the Congress authorized a salary increase for extension workers, in line with that provided to Federal employees, but understand that the

salary increase could not be made because of the subsequent reduction of appropriations by the Congress. I had been in touch with the director of the Extension Service in Kentucky, Dr. Schneider, and others who expressed concern that over the last 2 or 3 years salaries for extension workers have been falling behind comparable employment. I am pleased that the committee has given attention to this matter. The Senate bill provides an addition of \$3,385,000 to the amount approved by the House, restoring the budget request, and I call attention to the statement in the committee report that—

The Committee expects the use of these additional funds to be directed to the adjustment of salaries for county extension workers, where necessary, to provide increases for these workers comparable to those received by Federal employees pursuant to Public Law 90-206.

The third point which I had raised in my communication with the chairman of the Agricultural Appropriations Subcommittee, the able senior Senator from Florida, concerned appropriations for the Soil Conservation Service. As I had told Senator HOLLAND, I received a great many letters earlier this year from supervisors of soil conservation districts and others who were concerned about maintaining the level of appropriations and continuing the good work of the SCS in providing technical assistance to farmers, for watershed planning, for the construction of small watershed projects—and urging also that the authorization for the agricultural conservation program not be sharply reduced as proposed by the budget. While the committee has maintained the amounts approved by the House for conservation operations and for watershed planning, which were approximately the same as the budget estimates, I note that the bill passed by the House increased from \$33 million to \$56 million the amount for installing small watershed works of improvement. The Senate committee recommendation of \$58 million, together with a carryover of \$5.7 million, would make available \$63.6 million during fiscal 1969 to continue the construction of small watershed projects. This has been a very helpful and useful program, but construction of planned projects has already been stretched out in previous years. I consider it important that these projects be completed in a reasonable time, and that the backlog of approved projects not become so large as to discourage local interest and participation in these upstream conservation measures.

In each recent year, the Bureau of the Budget has proposed to cut the agricultural conservation program by approximately one-half, but each year the Congress has restored funds for the agricultural conservation program. Of all the farm programs, I believe the agricultural conservation program helps more small farmers than any other. It is limited in the amount of assistance that can be provided to any farmer, but it does encourage measures which conserve and build the soil for future generations. In Kentucky, I know that more than 40,000 farms participate in the program each year, and while the average payment

amounts to only about \$160 per farm, I believe this program has played a large part in improving practices and preventing erosion—apparent to anyone who travels regularly about over the State, as I do. The committee has provided \$195.5 million for the agricultural conservation program, somewhat less than the authorization for last year and the amount approved by the House this year. But an amendment is now pending in the Senate to reduce that amount by \$95.5 million—to reduce it to \$100 million, or less than half the level of recent years. I have opposed these amendments each year to so drastically reduce the agricultural conservation program.

I call attention also to the action of the committee increasing from \$15 million to \$30 million the authority for the rural housing direct loan program. The amount is provided especially for low-income-housing loans to individuals, but includes also \$2 million for natural disaster housing loans. The direct-loan program is of particular interest in eastern Kentucky, and Kentucky is among the States struck recently by tornados, such as those at Falmouth and in Bracken County. The Senate bill also maintains the House amount for rural water and waste disposal grants.

I support, as I have in the past the school lunch and special milk programs, and the food stamp and food distribution programs. Earlier this year, on April 11, during the Senate debate on the extension of the School Lunch Act, I called attention to the importance of section 11 of that Act, which provides reduced price and free lunches to children not able to pay. I said at that time that I considered it most important that section 11 funds be realistically increased—for I can think of nothing that would do more good than to insure at least one sound meal a day for these children in isolated and deprived rural areas, and also in the deprived areas of our central cities.

Since that time, much attention has been directed to the food programs for those who are unemployed and who have little or no income. I have urged that greater priority be given to the adequate funding of section 11, which is an existing and proven program. I am pleased that the committee has recognized the value of this program by increasing the House amount from \$5 million to \$7.5 million. And I am glad to join with Senator HART in his amendment to increase fiscal 1969 funds for the reduced price and free lunches to the budget request of \$10 million. While it may be considered a modest step, this would be an advance and would bring food to children who need it most.

There is great interest in improving the operation of the food stamp and food distribution program. I think improvements can be made, as I have discussed with the Secretary of Agriculture. But one of the best things would be to insure that children in these families get the school lunch.

It seems to me an anomaly that many families having little or no income, and therefore eligible for the food stamp or food distribution program, are in many

cases asked to pay the full cost of the regular school lunch. Again and again statements have been made, in testimony before House and Senate committees and elsewhere, that often they cannot do so. It would seem to me a logical step to at least insure that, with respect to each of these families declared eligible for the food programs, the children who are in school be made eligible for the reduced price lunches.

I hope very much that the Department of Agriculture will take steps to see that this is done, and that the interested committees of the Senate and the House will ask for a survey and report on how this can be accomplished, and what level of appropriations may be needed to carry out such a program.

Mr. President, I do wish to commend the Senator from Florida [Mr. HOLLAND], the ranking Republican member of the subcommittee, Senator YOUNG of North Dakota, and the other members of the committee for their work on this bill, which is important to farm families in Kentucky and throughout the Nation, and to the economy of rural America.

Mr. HOLLAND. Mr. President, I yield myself 2 additional minutes.

I thank the Senator from Kentucky for his kind remarks, and I apply them not only to the Senator from Florida but also to all members of our committee.

I want to make it very clear, also, that there are literally thousands and thousands of children who are not able to pay for lunches and who are getting free lunches under the regular school lunch program.

It is true that in every area where the children are not able to pay, they are supposed to be taken care of, and many thousands of them are. The problem arises in the extremely poor districts, where the number of children who cannot pay is so great in proportion to others in which no program has been set up. It is in such a situation that these two special programs would apply.

Mr. HART. Mr. President, thanks have been voiced several times to Senator HOLLAND, Senator HRUSKA, and Senator RUSSELL for their reaction to the proposal that was laid down last night.

May I just interject that I had the privilege of being a member of the Committee on Agriculture and Forestry for a few years at a time when Senator COOPER was a member. It was then, actually, that the section 11 idea was developed, and I am proud to say that we worked at it together; and it is nice to see that the program, when given an opportunity, has demonstrated great value.

Mr. President, may I then offer an amendment which will reflect the recommendation made by the Senator from Florida.

The PRESIDING OFFICER. Is the Senator modifying his amendment?

Mr. HART. I am modifying it to this extent: We will propose that we adopt the budget request in the area of section 11 and the pilot school breakfast lunch, and those two figures only.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 18, lines 19-21: Strike out "\$173,349,000 including \$7,500,000 for special assistance to needy schools, \$4,500,000 for the pilot school breakfast program," and insert the following: "\$177,849,000 including \$10,000,000 for special assistance to needy schools and \$6,500,000 for the pilot school breakfast program."

Mr. HOLLAND. Mr. President, I have no objection to the amendment as modified, and I am able to speak, also for the distinguished Senator from Nebraska. We will be glad to take this item to conference, in the hope that it will prevail there.

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts justifying the

amounts, as contained on pages 162 and 164 of the Senate hearings.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

JUSTIFICATION OF AMENDMENTS BY THE DEPARTMENT

(a) *The Department recommends that the amount provided by the House for cash payments to States be reduced \$14,351,000, to restore the budget estimate.*

The amount budgeted for cash payments to States will provide for a Federal cash contribution of about 4.5¢. It is expected that 3.5 billion lunches will be served in 1969—a growth of about 5 percent.

The following table reflects for 1966-1969 the average Federal contribution per lunch from the direct appropriation:

Item	Fiscal year 1966 (actual)	Fiscal year 1967 (actual)	Fiscal year 1968 (estimate)	Fiscal year 1969 (estimate)
Number of schools (peak participation).....	71,162	72,944	73,500	74,000
Number of schoolchildren (peak thousands).....	18,040	18,456	19,600	20,200
Number of lunches served (millions).....	3,093	3,147	3,336	3,503
Federal cash contribution (millions).....	\$139.1	\$147.7	\$155.0	\$157.1
Average Federal contribution per lunch (cents).....	4.5	4.7	4.6	4.5

The Department believes that the 4.5¢ Federal cash contribution is adequate. In any case, it should not be increased at the expense of the more pressing needs of the special cash assistance, pilot breakfast, non-food assistance and the other programs in this appropriation for which the budget estimates were reduced by the House.

(b) *The Department recommends restoration of the reduction of \$5,000,000 made by the House for Special cash assistance to needy schools.* The House action in reducing this request would substantially reduce the progressive expansion proposed for this program in 1969.

The most urgent need for free or reduced-price lunches is concentrated in about 10,000 schools (less than 10 percent of the over 100,000 schools in the U.S.) located in both urban and rural areas. About 1.4 million children attending these schools cannot afford the price of a lunch. In these situations, the amount of cash assistance that can be provided under the regular lunch program, together with the limited resources the community can provide, is not sufficient to finance the cost of serving lunches to these children. Section 11 is specifically designed to provide special funds for these areas and schools where needy children are not now being reached.

The following table reflects program participation for 1967-1969 (1967 was the first full year of operation for the program):

Item	1967 actual	1968 estimate	1969 estimate
Number of schools.....	610	1,750	2,250
Number of lunches served (millions).....	15.5	40	80
Federal cash contribution (millions).....	\$1.9	\$5	\$10
Average Federal contribution per lunch (cents).....	12.6	12.5	12.5

The Department is considering national guidelines to help States and communities decide which children are entitled to free or reduced-price lunches. Determination of need is presently done by local school officials, and definitions of "needy children" vary from school district to school district, and sometimes among schools within districts.

(c) *The Department recommends restoration of the reduction of \$3,000,000 for the pilot school breakfast program.* Under the

House action 135,000 children could not be provided an adequate breakfast.

There is no question but that thousands of children arrive at school hungry and this inevitably affects their span of attention and conduct. In very poor families there may be little or no breakfast. In rural areas, children frequently ride the bus for as much as an hour or more and then stand around and wait for school to start. These children leave home early and time often does not allow for adequate breakfast. They may wait 6 or more hours for lunch. In urban areas, thousands of children are in families where the mother, or both parents, must leave for work long before the children leave for school. Breakfast tends to be a neglected meal.

Mr. HART. Mr. President, on behalf of the Senator from New Mexico [Mr. MONTROYA], who is necessarily absent, I ask unanimous consent to have printed in the RECORD a statement prepared by him and a letter and excerpts from certain testimony.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MONTROYA

Mr. President, once again, the distinguished Senator from Michigan, Senator Hart, has taken the initiative in an effort to provide adequate funding for food programs for our nation's school children.

I am pleased to join him in this effort to increase the appropriation for the National School Lunch Program from the recommended \$173,349,000 by the Senate Appropriations Committee to \$184,149,000. Even this latter amount is a modest one and below the Administration's request.

Mr. President, I do not mean any criticism of Senator Holland, Chairman of the Agriculture Appropriations Subcommittee nor of the Appropriations Committee itself. I recognize that the Committee has been under tremendous pressure to trim all budget requests and that the cuts recommended in the School Lunch Program reflect this pressure. However, I believe that we are dealing with an exception here—one that we cannot afford to trim. That is, the feeding of undernourished children, many of whom would not get even one full meal a day were it not for the National School Lunch Program.

I, therefore, urge adoption of the amendment by Senator Hart.

Mr. President, I ask unanimous consent that a letter I received this morning from the New Mexico Superintendent of Public Instruction be inserted at this point in the RECORD as well as the pertinent portions of my testimony before the U.S. Senate Appropriations Subcommittee on the Department of Agriculture and Related Agencies in support of full funding for the National School Lunch Program.

STATE OF NEW MEXICO,
DEPARTMENT OF EDUCATION,
Santa Fe, May 27, 1968.

Hon. JOSEPH M. MONTAÑA,
U.S. Senate,
Washington, D.C.

DEAR JOE: I understand that the Appropriations Committee of the House of Representatives has approved the budget for Fiscal Year 1969 for the School Lunch and Child Nutrition without a recommendation for funding Section 7 (State Administrative Expenses) of the Child Nutrition Act.

The New Mexico Department of Education would object to signing an agreement to administer the increasing number of child feeding program created by the Congress without monies for their administration. I strongly urge that Section XI of the School Lunch Act, as well as the Breakfast Program and the Non-Food Assistance Program of the Child Nutrition Act be funded at the full amount of the Executive Budget proposal.

If the above programs are to reach the maximum number of children it is imperative that funds for administrative personnel also be made available.

Sincerely yours,

LEONARD J. DELAYO,
Superintendent of Public Instruction.

EXCERPTS FROM TESTIMONY

Mr. Chairman and members of the subcommittee, I am pleased to appear before you again to testify in support of funds for programs administered by the Department of Agriculture in New Mexico. Today I would like to endorse particularly the President's recommendations for funding of the Department's food programs for children and low-income families.

We have a real nutrition problem in this country—the scope of it was outlined in the Department's recent report on the adequacy of the American diet as found in the 1965 survey on food consumption by households. The survey revealed considerable slippage from the levels of the earlier survey of ten years ago. We have simply got to make a concerted effort to reduce this trend.

Secretary Freeman moved immediately to direct an expanded nutrition education program by the Department with priority attention to children and young families, low-income families, the aged and the general population. There are other measures proposed by the Secretary but here, today, we have an opportunity to help in this effort by voting the funds requested to support the legislation we have written over the years.

The President has requested an increase in funds for the National School Lunch Program. He should have it. He has asked that Section 11—the special assistance phase of the National School Lunch Program—be increased to \$10 million from the \$5 million we approved last year. I am told that \$30–\$35 million would be required to meet the full need for this assistance. You may recall that when we first added Section 11 to the National School Lunch Act in 1962, we authorized a \$10 million appropriation. Section 11 in itself recognized the difficulty faced by many low-income area schools where local resources and limited Federal assistance just weren't enough to begin and maintain a lunch program. We knew then that many schools weren't in the lunch program simply because they couldn't afford it. Many others were not meeting the National School Lunch

Act requirement that free or reduced price meals be served to those who cannot pay the full price.

Hundreds of schools and thousands of children are in the lunch program this year because that extra financial help made a viable lunch program possible. The need still remains great in small rural schools and downtown elementary schools. Millions of dollars of assistance under the Elementary and Secondary Education Act have been spent to feed children in lunch and breakfast programs. Local officials felt that food service was a top priority need for their youngsters. With adequate funding of the programs under discussion today, Education Act funds can be directed where they were really intended—to strengthening local schools and improving their educational capabilities.

I urge full funding of the school breakfast program at the recommended \$6.5 million—an increase of \$3.0 million over this year. The other body recently passed H.R. 15398, providing, among other things, for permanent authorization for the two-year pilot breakfast program. I introduced in the Senate, a similar measure, S. 2871, in which I was joined by 26 co-sponsors. House action on the bill was unanimous—398 to 0. Equally unanimous was the opinion from coast-to-coast of the benefits of the breakfast program to children participating.

We opened several breakfast programs in Albuquerque schools a few weeks ago. One newspaper account had this to say in part: "The first grader's cheeks were as red from what had obviously been a good scrubbing with a bath cloth as they were from the nip of cold air outside."

"Dressed in neat brown corduroy pants, scuffed sneakers and plaid sport shirt, he waited solemnly for his yellow plastic tray in the cafeteria line."

"On the plastic tray was a carton of milk, a glass of orange juice, a hot buttered roll, jelly and a steamy bowl of hot oatmeal"

"The youngsters—those who can afford it—pay a dime for the breakfast."

"The ones who can't—selected by the principal of each school—eat for free."

Mrs. Irvin Henreyson, of Albuquerque, who is President of the National Congress of Parent Teacher Associations, was present and said, "We feel that adequately fed children learn better, adjust better and have fewer problems than those who have a poor nutrition."

This year we appropriated only \$750,000 for non-food assistance—equipment assistance for schools. For 1969, the request is for \$6 million—and it should be honored. Lack of equipment and the money to buy it is inhibiting program growth in many areas. The Department of Agriculture and the State educational agencies have devised a variety of ways of meeting and overcoming the equipment and space obstacles to school food service. Some situations are more difficult than others but there is every indication the money has been used prudently and carefully.

We have asked a great deal of our State school lunch staffs in adding these new responsibilities—Section 11, the breakfast and equipment programs. We recognized this, too, in the Child Nutrition Act by authorizing some help to the States in administering these new features. But we appropriated no funds. The request for the next fiscal year is for \$2.3 million and, I believe, in all good conscience, we should provide these funds. State school lunch staffs are small. In terms of numbers and salaries, they are in competition with all the unmet needs of others on the State educational staffs who have also had greatly increased responsibilities put on them in the last few years. The big difference is that we have provided help for State administrative costs in the education acts but not for the

food service programs. The implementation of special assistance, breakfast and equipment programs is time-consuming and costly. On-site help must be provided. You can't sit in the State capitol and handle the tough ones by correspondence. You have to get out there and help the school put a package together. The money requested, when distributed nation-wide, will not build State school lunch empires. It will help ease the impact of increasing responsibilities. The Director of our New Mexico School Lunch Program has repeatedly emphasized to me that there simply are not enough man-hours available to meet the needs of all our needy children. For example, the State has turned back \$40,000 of \$56,158 in school breakfast money in fiscal year 1968 because of lack of funds for qualified personnel to administer the program.

I also want to endorse the continuing request for \$104 million for the special milk program. It remains a valuable supplement in our efforts to improve child nutrition but it is no substitute for a complete meal—lunch or breakfast.

Mr. YOUNG of Ohio. Mr. President, 10 million Americans, mostly children, suffer from hunger and malnutrition. Too many American youngsters born to poverty stricken families are the victims of dietary deficiencies that affect their normal mental development as well as their physical development. They are condemned from childhood to a lifetime of second-class citizenship. This is a continuing national disaster and must not be permitted.

There is uncontested medical testimony that the first 5 years of life are the most important from the standpoint of nutritional needs and the necessity of an adequate diet. If babies and young children do not receive an adequate diet they often suffer irrevocable and severe physical and mental retardation damage. During recent hearings, Dr. Jule M. Sugarman, Associate Director of Headstart for OEO testified:

From our experiences with the Head Start Program, I am convinced that the problem of nutritional deficiency in disadvantaged children is both real and broader in scope than we had originally anticipated. Our observations of Head Start children indicate specific physical disabilities including anemia rates as high as 51.6 percent in some areas of the country. Head Start Center reports describe cases of malnutrition so severe that the child is unable to function in a meaningful physical and intellectual fashion.

We must provide an early childhood nutrition program to provide an adequate diet for America's disadvantaged children before irreparable damage is done.

Our most valuable and precious national asset is our youth. We cannot permit millions of children from low-income families to suffer permanent damage both physical and mental as a result of inadequate diet. It is unconscionable that such a condition should be permitted to exist, in the richest and greatest Nation in the world. The pending amendment which I have cosponsored with the distinguished senior Senator from Michigan [Mr. HART] to restore more than \$10 million for the school lunch program and other programs providing food for children would help to correct this situation.

Mr. President, by restoring these funds, we are fighting one of the direct causes

of the social ills which afflict the Nation. Hunger for food surpasses hunger for knowledge. Hunger surpasses any regard for social responsibility. Hunger for food in a land of affluence and plenty can only instill a sense of injustice, grievance, frustration and revolt.

Mr. President, last year the school lunch program served meals to more than 20 million children. These children were assured of at least one nutritious meal each schoolday. The school lunch program is a direct way of reaching those children who studies indicate are most markedly and adversely affected by hunger and malnutrition. By adopting this amendment which restores funds for the school lunch program, we will be a step further along the road to what must be our goal—a nation in which no child goes hungry.

Mr. YARBOROUGH. Mr. President, the pending fiscal year 1969 appropriation bill for the Department of Agriculture and related agencies, H.R. 16913, is the product of extensive and exhaustive hearings by the Senate Appropriations Subcommittee on Agriculture, which is very ably chaired by the distinguished Senior Senator from Florida [Mr. HOLLAND].

It has been my great pleasure to serve under the fine and gracious leadership of Senator HOLLAND during consideration of this vital and complicated legislation. I wish to say to Chairman HOLLAND that I deeply appreciate his fairness to me and his consideration of my views during our deliberations on this bill.

Agriculture is a matter that touches each of us daily, whether we be producer or consumer. This bill, which appropriates \$5,536,050,300, embodies the agricultural policy of the United States for fiscal year 1969. It is an extremely important piece of legislation—not only for those that it affects directly or even indirectly, but also for those that it leaves out.

In the few brief minutes that I will take here, I cannot touch on every aspect of the bill, though every provision is important and has been carefully considered. I will comment generally only on a few provisions of particular importance to me and to my State.

Particularly, I am gratified that the committee has seen fit to recommend new obligational authority of \$329 million for the Rural Electrification Administration. This is \$25 million more than the House bill provides, and I think it will be wisely used by the REA, which has extended its benefits to millions of our rural families during its distinguished 33-year history.

GENERATION AND TRANSMISSION LOANS

I especially am pleased that the committee took note of the important role played by the generation and transmission facilities of REA. In its report, the committee declares the policy of the United States toward these facilities to be as follows:

The committee recognizes that generation and transmission facilities are, in many rural areas of the Nation, a necessary part of the rural electrification program. It is aware of the beneficial effect which the operation of these facilities has had in reducing wholesale power costs for the distribution cooperatives serving the thin rural areas. It recog-

nizes the need for "heavying up" generation and transmission facilities, as well as distribution facilities, to enable power-type cooperatives to meet their power supply obligations to their members and honor their commitments to other electric power systems where they are working together in power pools. It acknowledges the importance of having financing available for such facilities where distribution systems find it necessary to escape from unreasonable or damaging conditions sometimes imposed by unfriendly power suppliers.

The Administrator has advised the committee that the loan level for electric facilities proposed in the budget request will necessitate the deferment of some loan needs which would normally be met in fiscal year 1969.

The committee urges the Administrator to screen all applications for loan funds with extraordinary care in view of the Nation's need for practicing the maximum economy in fiscal year 1969 to insure that loan funds will be available to finance those facilities, including generation and transmission, which cannot be delayed without causing serious and lasting damage to existing rural electric systems and the economy and effectiveness of their operations.

I wish only briefly to note the committee's action on certain rural projects of the Farmers Home Administration. In three important programs—rural housing direct loan account, rural renewal, and rural housing for domestic farm labor—we have recommended funding at the level requested by the Department.

At least these amounts are needed, and I am hopeful that the Senate position on these important programs will prevail in conference over lesser sums approved by the House. Full funding of rural development programs are essential if we hope ever to stem the flow of rural residents to the cities.

The bill makes more than \$146 million available for agricultural research programs. Agricultural research is the foundation of our Nation's farm and ranch program. Agricultural research projects dealing with new and improved livestock breeding, crop improvement, and watershed planning are important factors in our being the most productive agricultural Nation in the world. Action taken by the Senate represents an increase of \$5,978,100 over the House bill.

For Texas, I support the Senate action appropriating \$227,600 for pesticide research at College Station, Tex., an increase of \$75,000 over the House-passed bill, and for restoring \$25,200 for cotton research at College Station, which had been deleted by the House. I commend the Senate for restoring in this appropriations bill \$84,200 for research for reducing the costs of cotton being conducted at Lubbock, Tex., and for allocating \$236,100 for cotton ginning research. This bill also appropriates \$14,200 for research at Beaumont, Tex., to improve protein content of cereal and other grains and restores \$10,200 deleted by the House for research at Brownsville, Tex., for reducing costs of producing cotton.

The Senate-passed bill provides \$227,719,000 for the Soil Conservation Service which provides technical assistance to farmers and ranchers for soil conservation, watershed planning, flood prevention, and resource conservation and de-

velopment. Under this bill, over \$6 million will be available for assistance in watershed planning, and \$17.5 million for flood prevention.

I have been a long-time supporter of the Great Plains conservation program which provides critical assistance to farmers and ranchers in the "dust bowl" areas of Texas and the Southwest. This bill allocates \$16 million to be used for loans on a cost-shared basis. I regret this figure could not have been higher.

I would also like to mention my opposition to the attempts made to place a limitation on the amounts of money a farmer could receive under our agricultural programs. Any such effort should be well thought out and planned to be sure that the family farmer is receiving an adequate and just income. An across the board limitation without sufficient groundwork and study would not accomplish that program, but would indiscriminately eliminate many family farmers.

Furthermore, because of the provisions inserted in the cotton bill, if any such limitations were enacted there would be a return to the cotton bill of 1958. This snapback provision would deprive other cotton farmers of the benefits of the 1965 cotton bill.

Lastly, limitations on payments would completely destroy voluntary programs, since a farmer would not voluntarily participate in a program which would not entitle him to payments because of a maximum entitlement.

Mr. President, there is one dark spot in our agricultural picture. In spite of the fact that America's agricultural sector is the most productive of the world—indeed, it is the envy of the world—and in spite of the fact that the American people, as a whole, eat better than any other people in history, there is hunger, malnutrition, and even starvation in this land of plenty. Our agricultural affluence is phenomenal, but there are some who do not share in it. Paradoxically, there are some, perhaps millions, who do not have enough to eat.

It is almost impossible for most of us even to imagine the breadth and depth of hunger, malnutrition, and even starvation that plagues our country. Yet, in recent weeks, there has been clear evidence of this tragedy from three major sources: Hunger, USA, a report of the citizens' board of inquiry into hunger and malnutrition in the United States; Their Daily Bread, a report by the committee on school lunch participation; and Hunger in America, a CBS television report.

We have seen that hundreds of thousands of Americans—perhaps as many as 10 million—are being crippled in body, in mind, and in spirit because they have not enough to eat. Some are starving to death. The facts cannot be avoided any longer.

The Department of Agriculture has primary responsibility for our national effort to feed America's hungry. The food stamp program represents the Government's main attempt to deal with hunger. Yet, the progress of this and other surplus food-for-the-poor programs has not been sufficient to meet the need.

The budget request for the food stamp program was \$225 million, only \$40 million above the previous year. Mr. President, according to testimony from the Department of Agriculture, all of that increase is to be used to maintain the program at its present level of 2.75 million participants. There was no request for money to extend the program to the other 7 million or so Americans who are in need.

The committee approved the full amount requested. I had hoped we might do more. In my State, food stamps issued in fiscal year 1967 had a total value of \$1,528,795. With some 3 million Texans living in poverty, that averages out to little more than 50 cents for each poor person per year—not a day, a week, or even a month, but 50 cents a year. More is needed, and we must all work to make sure that more is provided.

I also am concerned with the appropriation recommended for the school lunch program. This is a vital and a proven program. I was sorry that the committee cut it to \$173.3 million from \$184.4 million requested. I support and will vote for the amendment offered by the distinguished Senator from Michigan [Mr. HART] to fund the school lunch program at the full amount requested.

Mr. President, it is imperative that all Americans share in our agricultural abundance. We spend \$1.5 billion a year to help feed the rest of the world. Surely we will now work together to make sure that none of our own fellow citizens go hungry.

Again, I commend the distinguished chairman of our subcommittee for his fine work and leadership on this bill. No man has worked harder than he to assure the steady growth of our agricultural capability, and no man has been more concerned than he that all Americans share in our productivity.

Mr. HART. I yield back the remainder of my time.

Mr. HOLLAND. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Michigan.

The amendment (No. 837), as modified, was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to take 5 minutes from the time on the bill, with the permission of the distinguished chairman of the committee, to lay the pending business aside temporarily and to call up Calendar No. 1134, S. 444.

Mr. HOLLAND. Mr. President, I am glad to yield, provided the time is limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

FLAMING GORGE NATIONAL RECREATION AREA

The PRESIDING OFFICER. In accordance with the previous order, the Senate will proceed to the consideration of Calendar No. 1134, S. 444, which will be stated by title.

THE BILL CLERK. A bill (S. 444) to establish the Flaming Gorge National Recreation Area in the States of Utah and Wyoming, and for other purposes.

Accordingly, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 3, line 18, after the word "enjoyment," insert "Nothing in this Act shall affect the jurisdiction or responsibilities of the States of Utah and Wyoming under other provisions of State laws with respect to hunting and fishing."; and on page 4, line 14, after the word "the" strike out the word "administration" and insert "purposes"; so as to make the bill read:

S. 444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide, in furtherance of the purposes of the Colorado River storage project, for the public outdoor recreation use and enjoyment of the Flaming Gorge Reservoir and surrounding lands in the States of Utah and Wyoming and the conservation of scenic, scientific, historic, and other values contributing to public enjoyment of such lands and waters, there is hereby established, subject to valid existing rights, the Flaming Gorge National Recreation Area in the States of Utah and Wyoming (hereinafter referred to as the "recreation area"). The boundaries of the recreation area shall be those shown on the map entitled "Proposed Flaming Gorge National Recreation Area," which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture.

SEC. 2. The administration, protection, and development of the recreation area shall be by the Secretary of Agriculture (hereinafter called the "Secretary") in accordance with the laws, rules, and regulations applicable to national forests, in a manner coordinated with the other purposes of the Colorado River storage project, and in such manner as in his judgment will best provide for (1) public outdoor recreation benefits; (2) conservation of scenic, scientific, historic, and other values contributing to public enjoyment; and (3) such management, utilization, and disposal of natural resources as in his judgment will promote or are compatible with, and do not significantly impair the purposes for which the recreation area is established: *Provided*, That lands or waters needed or used for the operation of the Colorado River storage project shall continue to be administered by the Secretary of the Interior to the extent he determines to be required for such operation.

SEC. 3. Within six months after the effective date of this Act, the Secretary shall publish in the Federal Register a detailed description of the boundaries of the recreation area. Following such publication, the Secretary may make minor adjustments in the boundary of the recreation area by publication of the amended description thereof in the Federal Register: *Provided*, That the total acreage of the recreation area within the adjusted boundary does not exceed the acreage of the recreation area as shown on the map referred to in section 1 hereof.

SEC. 4. The Secretary shall permit hunting, fishing, and trapping on the lands and waters under his jurisdiction within the recreation area in accordance with the applicable Federal and State laws: *Provided*, That the Secretary, after consultation with the respective State fish and game commissions, may issue regulations designating zones where and establishing periods where no hunting, fishing, or trapping shall be permitted for reasons of public safety, administration, or public use and enjoyment. Nothing in this Act shall af-

fect the jurisdiction or responsibilities of the States of Utah and Wyoming under other provisions of State laws with respect to hunting and fishing.

SEC. 5. The lands within the recreation area, subject to valid existing rights, are hereby withdrawn from location, entry, and patent under the United States mining laws. The Secretary of the Interior, under such regulations as he deems appropriate, may permit the removal of the nonleasable minerals from lands or interests in lands within the recreation area in the manner prescribed by section 10 of the Act of August 4, 1939, as amended (53 Stat. 1196; 43 U.S.C. 387), and he may permit the removal of leasable minerals from lands or interests in lands within the recreation area in accordance with the Mineral Leasing Act of February 24, 1920, as amended (30 U.S.C. 181 et seq.), or the Acquired Lands Mineral Leasing Act of August 7, 1947 (30 U.S.C. 351 et seq.), if he finds that such disposition would not have significant adverse effects on the purposes of the Colorado River storage project and the Secretary of Agriculture finds that such disposition would not have significant adverse effects on the administration purposes of the recreation area: *Provided*, That any lease or permit respecting such minerals in the recreation area shall be issued only with the consent of the Secretary of Agriculture and subject to such conditions as he may prescribe.

All receipts derived from permits and leases issued under the authority of this section for removal of nonleasable minerals shall be paid into the same funds or accounts in the Treasury of the United States and shall be distributed in the same manner as provided for receipts from national forests. Any receipts derived from permits or leases issued on lands in the recreation area under the Mineral Leasing Act of February 25, 1920, as amended, or the Act of August 7, 1947, shall be disposed of as provided in the applicable Act.

SEC. 6. The boundaries of the Ashley National Forest are hereby extended to include all of the lands not presently within such boundaries lying within the recreation area as described in accordance with sections 1 and 3 of this Act.

SEC. 7. Subject to any valid claim or entry now existing and hereafter legally maintained, all public lands of the United States and all lands of the United States heretofore or hereafter acquired or reserved for use in connection with the Colorado River storage project within the exterior boundaries of the recreation area which have not heretofore been added to and made a part of the Ashley National Forest, and all lands of the United States acquired for the purpose of the recreation area, are hereby added to and made a part of the Ashley National Forest: *Provided*, That lands within the flow lines of any reservoir operated and maintained by the Department of the Interior or otherwise needed or used for the operation of the Colorado River storage project shall continue to be administered by the Secretary of the Interior to the extent he determines to be required for such operation.

SEC. 8. Funds hereafter appropriated and available for the acquisition of lands and waters and interests therein in the national forest system pursuant to section 6 of the Act of September 3, 1964 (78 Stat. 897, 903), shall be available for the acquisition of any lands, waters, and interests therein within the boundaries of the recreation area.

SEC. 9. Nothing in this Act shall deprive any State or political subdivision thereof of its right to exercise civil and criminal jurisdiction within the recreation area consistent with the provisions of this Act, or of its right to tax persons, corporations, franchises, or other non-Federal property, including mineral or other interests, in or on lands or waters within the recreation area.

Mr. MOSS. Mr. President, I express my gratitude to the Senator from Florida [Mr. HOLLAND] for allowing us to intervene at this point because of the necessities of having this matter considered. It was called up on the call of the calendar yesterday, but we were not able to reach it. I believe we can handle the matter very briefly today.

S. 444 would establish the Flaming Gorge National Recreation Area on the lake that has been created by the Flaming Gorge Dam on the Green River in the State of Utah. The lake would extend into Wyoming for approximately 92 miles. This is a successor bill to two previous bills that have been before the Senate, introduced in 1964 and 1965, and this one was introduced on January 12, 1968.

The areas are now being administered under an administrative agreement between the Department of Agriculture and the Department of the Interior. This bill would establish it by law and would transfer the jurisdiction of the entire area to the Department of Agriculture, the Forest Service. This has become necessary because of administrative problems which we foresaw when we visited that area as a committee some 3 years ago. By consolidating the administration in the Department of Agriculture, we not only avoid overlapping and duplication of problems that arise from new administration, but also, it is estimated that there will be a saving of approximately \$100,000 a year in the efficiency of the administration.

This is not a matter that will cause any additional budget expenditures. As a matter of fact, as I pointed out, it is a matter of economy. There has been one problem—to make certain that the management of the fish and wildlife there would be in accordance with the State law, which is the requirement under all of the recreation areas, and that has been worked out satisfactorily; and the bill has been reported unanimously by the Committee on Interior and Insular Affairs.

I therefore urge that this matter be quickly disposed of and passed by the Senate, so that it will be possible for the bill to be considered by the other body and signed into law this year; and I urge its passage.

I am glad to yield, Mr. President, to my senior colleague, the Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, I support S. 444, a bill to establish the Flaming Gorge National Recreation Area in the States of Utah and Wyoming and I urge its immediate adoption by the Senate.

The bill would authorize as a national recreation area 201,253 acres of land and water extending from several miles below the Bureau of Reclamation's Flaming Gorge Dam on the Green River in northeastern Utah and upstream from the dam through steep canyon walls carved by the river, through the Uinta Mountains and the Flaming Gorge into southwestern Wyoming.

Currently the resources in the area are administered under an agreement between the Bureau of Reclamation, the National Park Service, and the Depart-

ment of Agriculture. As reported by the committee, the legislation would provide for administration of the area by the Secretary of Agriculture, a move, I am happy to report, which would save about \$100,000 in administrative costs each year by eliminating duplication of overhead costs, technical staffs, and public facilities.

This area has already become a major tourist attraction since Flaming Gorge Dam has created a large body of water in a semiarid region enhanced by breathtaking scenic surroundings. The section of the Green River from the head of Flaming Gorge downstream to the mouth of Red Canyon is almost a continuous series of canyons and smaller side canyons. Many portions of Red Canyon are narrow, precipitous, and colorful with the same reds, grays, and purples found in the canyons of Dinosaur National Monument. Flaming Gorge itself is notable for the intense reddish-orange shades of its cliffs which rise abruptly a thousand feet above the river. Generally, these canyons of the Green River parallel the Uinta Mountains, the only major east-west mountain range in the United States—an area nationally known for its scenic beauty.

Recreational use of the area will include boating, fishing, swimming, camping, picnicking, hiking, horseback riding, hunting, and water skiing. The area also has considerable historical interest and the Henrys Fork region would be an excellent point from which to present the story of the fur trappers, or mountain men, who persevered and did so much to open up this vast region.

In reporting this legislation to the Senate, Mr. President, I am very pleased to see that the Senate Interior Committee has agreed to amend section 4 in such a way as to protect the people of Utah and Wyoming by spelling out very clearly the role of the States in the management of the fish and game in the new recreation area. The amendment is designed to protect the States' longtime and court-supported rights in this field.

Section 4 originally read:

SEC. 4. The Secretary shall permit hunting, fishing, and trapping on the lands and waters under his jurisdiction within the recreation area in accordance with the applicable Federal and State laws: *Provided*, That the Secretary, after consultation with the respective State fish and game commissions, may issue regulations designating zones where and establishing periods when no hunting, fishing, or trapping shall be permitted for reasons of public safety, administration, or public use and enjoyment.

Working with our colleagues Senators HANSEN and MCGEE of Wyoming and Senator MOSS of Utah as well as with State fish and game officials we have now added the following amendment to this section:

Nothing in this act shall affect the jurisdiction or responsibilities of the States of Utah and Wyoming under other provisions of State laws with respect to hunting and fishing.

Mr. President, it is my feeling, and I feel the intent of the committee and of Congress, that this language guarantees to the States of Utah and Wyoming the right to apply state hunting and fishing laws within the Federal area.

Since colonial times in this country, the ownership of wildlife, by law, history and tradition, has been separated from the ownership of the land. The Supreme Court has also ruled that all species of wildlife are held in trust by the individual States for the people of each State. The historical doctrine of ownership of fish and game by the States is still basically the law of the land as decided in *Geer v. Connecticut*, 161 U.S. 519 (1896).

This case was quite complicated and rather long, therefore, I will not go into its various ramifications. I will merely point out that the conclusions was that the States had inherited from the Crown and Parliament of England all of the rights, both of property and sovereignty, which were exercised in England over fish and game. Another significant case which set down the law that the U.S. Government is not the owner of game and fish, despite its superior treaty-maker power, was decided in *Sickman v. United States* (1950), 184 F.2d. 616.

This basic right, with one exception, has remained with the States. That exception concerns migratory bird treaties, since a treaty negotiated under the treaty-making power of the United States becomes the supreme law of the land and all State or Federal laws become subordinate to the provisions of such a treaty.

Mr. President, I do not want to take the Senate's time going into the legal problems and precedents in this field, but in the event others in this body want to go deeper into it, I have placed in the S. 444 Interior Committee hearing of October 19, 1967, a copy of a lengthy brief from the Legal Committee of the International Association of Game, Fish and Conservation Commissioners which explains the problem fully.

In addition, it should be pointed out that legislation clarifying State jurisdiction has been introduced in both the Senate and House in this second session of Congress. Senators FANNIN and BIBLE, with seven cosponsors each, have similar bills before the Senate and a total of 12 Members of the other body have similar legislation before the House. I am pleased to report that I feel so strongly about this protection for the States that I have joined with Senator FANNIN as a cosponsor of S. 3212 and with Senator BIBLE on S. 2951.

This legislation has the widespread bipartisan support of virtually every organization in my State and elsewhere that deals with fish and wildlife. For the interest of the Senate these include: the Coordinating Council of Natural Resources of the State of Utah; the Utah Fish and Game Department; Arizona Game and Fish Commission; the Wyoming Fish and Game Commission; the National Rifle Association of America; the Utah Department of Natural Resources, the Western Conference of the Council of State Governments; the International Association of Game, Fish, and Conservation Commissioners, and the National Governors Conference.

It is obvious that when such groups as these show concern over a problem, it is time for the Congress to stop, listen, and act.

The added sentence at the end of section 4 would provide the protection embodied in the pending legislation and will provide the States their protection until the general legislation is approved by Congress.

I want to make it perfectly clear for those who may read these proceedings later and for those who may wish to seek out the intent of Congress in adding the last sentence to section 4 that the reason those words are there is to guarantee to the States of Utah and Wyoming the right to apply State hunting and fishing laws within the Federal area. The States shall prevail. It is as simple and as clear as that. We do not intend to allow the Federal Government to take control over fish and game hunters currently under State control.

Mr. President, once again I urge the Senate to act quickly on this legislation so that we can get it signed into law before the session ends. Now that we have handled the question of fish and game jurisdiction I am certain that the passage of the bill will be greeted favorably virtually everywhere.

Mr. HANSEN. Mr. President, I am extremely pleased that the Senate is taking such speedy action on S. 444, a bill to establish the Flaming Gorge National Recreation Area in the States of Wyoming and Utah.

This legislation is of considerable importance to those two States, and it is also another step in the meritorious program afoot in our country today which seeks to set aside for all time Federal lands of unique beauty and recreational value.

During consideration by the Senate Interior Committee, the question of jurisdiction over resident species of fish and wildlife was broadly debated, both in public hearing and in executive sessions of the committee. I am happy to have been a party to that debate and to have followed the very able leadership of Senator BENNETT of Utah, in clarifying those questions. I am also happy with the bill as it is now written, for I feel that it adequately protects the interests of Utah and Wyoming with respect to their long-time traditional rights in the control and management of resident species of fish and wildlife.

At the suggestion of Senator BENNETT, the Interior Committee included a final sentence in section 4 of the bill, which now reads:

Nothing in this Act shall affect the jurisdiction or responsibilities of the States of Utah and Wyoming under other provisions of State laws with respect to hunting and fishing.

I urged the inclusion of the words "State laws" in that sentence in the interest of clarity. The legislative history shows that the inclusion of a similar sentence in the Sawtooth Recreation Area bill was for the purpose of guaranteeing to the State of Idaho its right to apply State hunting and fishing laws within the Federal area.

I believe it was the proper intent of the Congress in that case to preserve the status quo, irrespective of any arguments which may be currently made by the Department of the Interior on the matter.

General legislation affirming to the States their rights over resident fish and wildlife is now pending before the Congress. Until such time as that legislation is acted upon, I favor the preservation of the status quo on this matter in any specific bills, such as the Flaming Gorge bill, which may be adopted by the Congress.

This is by no means an empty question or a "straw man." There are rights of the various States involved here and these rights have been seriously threatened by policy positions, based upon the Solicitor's memorandum, M-36672, dated December 1, 1964, which have recently been taken by the Department of the Interior.

Recognizing the difficulties posed by the Interior Department's position, the International Association of Game, Fish, and Conservation Commissioners, and various State game and fish commissioners, including Wyoming's, have requested that Congress enact general legislation which clearly enunciates the jurisdictional responsibilities of Federal and State Governments on this matter. Since the Senate Interior Committee first considered the Flaming Gorge bill, such general legislation, S. 2951 and S. 3212, has been introduced, with wide bipartisan sponsorship, to accomplish this clarification.

On May 27, 1968, at page S6440 of the CONGRESSIONAL RECORD, I indicated to the Senate the broad cosponsorship of S. 3212, as introduced by the Senator from Arizona [Mr. FANNIN]. At this time, let me also point out that S. 2951, as introduced by the Senator from Nevada [Mr. BIBLE] is presently cosponsored by Senators ALLOTT, COTTON, SPONG, BENNETT, MOSS, MAGNUSON, CANNON, CHURCH, and myself.

I also call the attention of the Senate to the case of the New Mexico State Game Commission against Udall in which a decision was handed down adverse to the Department of the Interior on March 12, 1968, in the U.S. District Court for the District of New Mexico. This litigation arose out of differing jurisdictional claims under circumstances which could have as easily arisen in the Flaming Gorge area. I believe that it is more than hypothetically important that such jurisdictional questions be resolved in the legislation which authorizes these Federal areas, rather than through a long, after-the-fact, litigation process.

Lastly, I call attention to the present impasse between the National Park Service and the Wyoming Game and Fish Commission over the administration of lands within the recently established Big Horn Canyon National Recreation Area in Wyoming. This is a matter of immediate practical concern to both our Wyoming Game and Fish Commission and to the Department of the Interior. I have talked with, and written to, the various parties in this dispute in an effort to reach an agreement and, pending such agreement, to insure that proper management of the wildlife and lands in question continues. Once again, this time-consuming and costly problem could have been avoided if proper language had been contained in the legisla-

tion authorizing the Big Horn Canyon National Recreation Area.

For these reasons, I consider the questions that have been raised about section 4 of S. 444 to have been very important to the States of Utah and Wyoming, and I believe the legislative record should be clarified accordingly.

Once again, I thank the members of the Senate Interior Committee, and particularly its chairman, Senator JACKSON, for the expeditious manner in which this legislation has been handled. I am extremely pleased by the action which the Senate is taking today.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The amendments were considered and agreed to en bloc.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 17522) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1969, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 3299. An act to authorize the purchase, sale, and exchange of certain lands on the Spokane Indian Reservation, and for other purposes;

H.R. 14672. An act to amend the act of February 14, 1931, relating to the acceptance of gifts for the benefit of Indians;

H.R. 14922. An act to amend Public Law 90-60 with respect to judgment funds of the Ute Mountain Tribe;

H.R. 15224. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; and

H.R. 15271. An act to authorize the use of funds arising from a judgment in favor of the Spokane Tribe of Indians.

HOUSE BILL REFERRED

The bill (H.R. 17522) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1969, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 16913) making appro-

priations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

AMENDMENT NO. 811

Mr. WILLIAMS of Delaware. Mr. President, I call up my amendment No. 811, and ask that it be read. I am calling up this amendment on behalf of myself and the Senator from Wisconsin [Mr. NELSON].

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

At the appropriate place insert the following:

"SEC. —. Notwithstanding any other provision of law, after January 1, 1969, no producer shall be eligible for payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$10,000 for any one year. The foregoing limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment-in-kind made to a producer."

Mr. HOLLAND. Mr. President, this would clearly change the existing legislation and would constitute legislation on an appropriation bill. Therefore, under the instructions given by the Committee on Appropriations in all such cases, I make a point of order against the consideration of this amendment.

The PRESIDING OFFICER. The proposal of the Senator from Delaware is legislation on an appropriation bill. The Chair sustains the point of order.

Mr. WILLIAMS of Delaware. Mr. President, I concede the point of order in that the pending amendment would amend existing law.

AMENDMENT NO. 834

Mr. President, I now call up amendment No. 834, which would apply as a limitation to the bill before us. I call up the amendment on behalf of myself and the Senator from Wisconsin [Mr. NELSON].

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 38, between lines 17 and 18, insert a new section as follows:

"SEC. 510. None of the funds appropriated in this Act may be used to make payments to any producer during the fiscal year beginning July 1, 1968, for participation in any program or programs administered by the Department of Agriculture in an amount in excess of \$10,000, or any payment-in-kind in excess of \$10,000 made to such producer in such fiscal year."

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. WILLIAMS of Delaware. I shall renew my request in a moment.

Mr. HOLLAND. Mr. President, I want to make it clear that at such time as we have more Senators in the Chamber I shall be glad to join the Senator from Delaware in asking for the yeas and nays.

I would like to ask a question of the Senator from Delaware on this matter on my time prior to deciding whether or not to make a point of order.

Am I correct in my understanding that this amendment would not affect payments under the sugar program and the wool program since the funds to make such payments are not included within this bill, and since those programs operate under special laws which are financed under provisions included in those laws and which exist in the effort to deal successfully with deficit production of those commodities by increasing production of them in our country?

Mr. WILLIAMS of Delaware. To the extent that such payments would be made out of funds provided in this bill they would be affected.

Mr. HOLLAND. My question is: Are there any payments under this bill that would go to those two programs?

Mr. WILLIAMS of Delaware. I say, to the extent there would be any funds in this bill it would apply. Yes.

Mr. HOLLAND. Mr. President, this leaves open the question of whether payments under this bill would go to those two programs. My understanding is they would not; but since the Senator leaves that question open, I raise a point of order, because if this would affect the status of those two existing programs, it would certainly be legislative.

Mr. WILLIAMS of Delaware. I would point out that while it would affect them to an extent it also affects other programs. This is a limitation on expenditure of moneys as provided in the bill, and a limitation on the money provided in this particular bill would be in order.

The previous amendment went beyond that and provided that any other provisions of other laws also be included. That did go beyond the bill, but this proposal is drafted on a limitation of funds provided for in this bill.

Mr. HOLLAND. But the question of the Senator from Florida was intended to bring out a statement from the Senator from Delaware that there is nothing in this bill that supports those two particular programs. The Senator from Delaware does not concede that, but instead says that any funds under this bill that would support those programs would be affected by the amendment.

Mr. WILLIAMS of Delaware. Yes; but on the other hand, the moment the Senator yields the floor I am sure that someone from the corn-producing area would say it affected corn.

If we exclude all agricultural commodities we might as well lay aside the amendment.

Mr. HOLLAND. My understanding is that those two programs are not under this bill. If the Senator from Delaware thinks they are, there is certainly a point of order applicable here because those two programs operate under separate legislation. They are, in a sense, self-financing, in the case of sugar with respect to the processing tax, and with respect to wool, the percentage of tariff fees. It is my understanding that in a sense those programs are self-operating.

The Senator from Delaware indicates that in his opinion there may be something in this bill that goes to the support of those two programs.

If that be the case, a point of order would have to be upheld.

Mr. WILLIAMS of Delaware. I said it

would be true only to the extent the money is appropriated. If the Senator from Florida says they are not under the bill it would not apply, but if they are it would. I am not putting them in or taking them out; I am not passing an opinion. However, to the extent that they are included in this bill, they would be affected. We have a right to put a limitation on the appropriation in this bill.

Mr. HOLLAND. If it is the contention of the Senator from Delaware that those two programs are affected by this bill, I ask for the point of order.

Mr. WILLIAMS of Delaware. I am not contending that any more than I would contend that foreign aid is under the bill or that these payments are embraced in here.

This is a limitation applicable to all payments made from money provided in this bill.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Are those two programs affected under the provisions of the pending measure?

The PRESIDING OFFICER. The Chair cannot interpret legislation. This proposed amendment is confined to the money in this bill. If it extended beyond that, it would be subject to a point of order.

Mr. HOLLAND. Mr. President, I will withdraw my point of order. But I will state affirmatively for the RECORD that, in my opinion, this bill does not affect those two programs. If it should affect those two programs, certainly it would have legislative meaning, because those two programs are covered by separate acts of Congress, which have been modified by Congress. They have no relation at all to the ordinary application of programs under the Department of Agriculture which are price supported or encouraged by the Department for reasons other than that there is deficit production in our Nation.

The deficit production in our Nation in sugar and wool is the basic reason for the existence of those two programs, which are financed, as I understand it, from the sources I have indicated: In sugar, by the processing tax, and it is financed to an excess because there is a payment back to the Treasury of the excessive amounts raised; and in the case of the wool program, financed by that portion of tariff receipts on foreign wool which is imported into this country.

I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 5 minutes.

There is no need to labor the point. The issue is clear. Under existing law, payments to farmers not to produce crops are made in various amounts. The highest payment is around \$4 million.

It is true, as the Senator from Florida has said, that, to a large extent, the largest payments are made to sugar producers. I wish to make it clear that to the extent that any of the payments, whether they be to producers of sugar,

cotton, wheat, corn, oats, or whatever else they may produce, are included and provided for in the bill, they would be included.

My first amendment went beyond the bill and applied to existing law. It would definitely have included all those programs. However, I conceded that that amendment was subject to a point of order. But this amendment makes a limitation on payments provided for under the bill.

It has been estimated by the Department of Agriculture that if the payments could be reduced to a level of \$10,000—and I think there is merit to that, even including the payments to sugar and other crop producers—the small farmer would be benefited. Much has been said about the need to protect the small farmer in America. Yet when these programs are put into effect and large payments are made, only one group or type of operation can afford to take advantage of the program.

The average small farmer, the one-man operation, has the same amount of equipment and incurs the same expenses to buy a tractor, a combine, or other types of equipment needed to produce the crop he is growing. If he takes a third or a fourth of his acreage out of production and idles his equipment, he has the same carrying charges as he would have if the equipment were used.

But the large, corporate type of operator can put a third or a half of his acreage into the soil bank and collect payments for nonproduction. He can merely roll his tractor or other equipment into the barn and lay off his help. To that extent the payments he receives constitute additional profit.

If the amount is confined strictly to \$10,000, an advantage would be given to the small farmer. Why should he not receive an advantage? We shed crocodile tears about the plight of the small farmer. Why not do something for him? It is estimated that if the \$10,000 limitation were extended across the board the annual savings would be around \$600 million.

Certainly at a time when we will have to cut the spending for fiscal 1969 by \$6 billion, which we are proposing to do next year, here is a place we can reduce spending by \$600 million a year and I think can have just as good, if not a better, agricultural program and one more equitable to the smaller producers. I want to point that out as I make that statement.

Contrary to what many may think, I come from a farm-producing area. I know that the State of Delaware is small, but the county in which I live, up to a few years ago, was the third or fourth highest ranking county east of the Rocky Mountains in agricultural production. So I am not speaking from the standpoint of a heavily populated area; we do have farmers in the area I represent, and I think I know what those farmers are confronted with. I was born and reared on a farm myself.

I do not understand how anyone can justify the payments of \$50,000 to \$100,000 being made under this particular program.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 additional minutes.

Mr. WILLIAMS of Delaware. Mr. President, I placed in the RECORD on May 23 a list of payments in excess of \$50,000. The committee report carries this list to \$5,000. But just to show the size, I notice there are 186 in Alabama over \$25,000, totaling \$7¼ million; 32 and a half million dollars going into Arizona; 28 and a quarter million dollars going into Arkansas, and so on down the line.

I ask unanimous consent that this list of over \$25,000, broken down by States, be printed in the RECORD. There were 6,579 so-called farming operations which collected \$333,127,693 last year. All of these payments were in excess of \$25,000.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

1967 PAYMENTS OF \$25,000 AND OVER UNDER ASCS PROGRAMS BY STATES (EXCLUDING PRICE SUPPORT LOANS)

State	Total payees	Total payments
Alabama.....	186	\$7,262,524
Arizona.....	495	32,632,601
Arkansas.....	617	28,270,128
California.....	810	61,310,642
Colorado.....	75	2,935,565
Florida.....	49	4,943,043
Georgia.....	130	4,797,677
Hawaii.....	26	9,808,390
Idaho.....	49	1,766,205
Illinois.....	13	463,829
Indiana.....	9	379,443
Iowa.....	9	459,645
Kansas.....	109	3,804,974
Kentucky.....	3	84,644
Louisiana.....	263	11,266,492
Michigan.....	2	67,863
Minnesota.....	5	150,891
Mississippi.....	1,112	55,890,830
Missouri.....	85	3,295,160
Montana.....	45	2,101,731
Nebraska.....	23	739,913
Nevada.....	6	291,448
New Mexico.....	101	3,857,277
North Carolina.....	48	2,103,774
North Dakota.....	21	726,807
Ohio.....	3	132,065
Oklahoma.....	58	1,987,838
Oregon.....	44	1,486,281
Pennsylvania.....	1	28,710
Puerto Rico.....	55	3,553,220
South Carolina.....	157	6,117,524
South Dakota.....	12	406,439
Tennessee.....	73	2,821,483
Texas.....	1,762	72,646,201
Utah.....	6	207,679
Virginia.....	2	62,486
Washington.....	106	3,966,469
Wisconsin.....	2	66,176
Wyoming.....	7	233,626
Total.....	6,579	333,127,693

Mr. WILLIAMS of Delaware. Mr. President, I do not see how we can justify these large payments, particularly at a time like this.

I hope that the amendment will be adopted, fully recognizing that we can find many places more meritorious to put our money.

Mr. President, I reserve the remainder of my time.

Mr. HOLLAND. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I give

three brief reasons why I think the Senate should not adopt the amendment and I hope it will not consider adopting it.

The report shows on page 35, about the middle of the page, that the amount included for the Commodity Credit Corporation includes \$350,467,000 to liquidate contract authorizations established in fiscal year 1968 and payable in fiscal year 1969. These are payments for land diversion and all types of program payments, many of which go beyond the figure stated by the Senator from Delaware.

We can all understand his enthusiasm for limitations but it should be on the basic legislation.

The point I am making now is that he is suggesting we repudiate contracts made and in effect and under which payments have been promised and under which \$350 million-plus is appropriated for under the particular bill to pay off Uncle Sam's obligations to farmers from one end of the Nation to the other under existing contracts.

Mr. President, the second point I make is that insofar as the amendment proposes to limit payments to \$10,000 this year, the amendment does not seek to change basic legislation. Under basic legislation, there would be many farmers who have already planted or who will be planting and who will be entitled, under basic legislation, to more than \$10,000 of price supports. He does not propose to change the basic legislation. He does not propose to change the obligations which the Federal Government will owe under that basic legislation to hundreds and even thousands of farmers from one end of the Nation to the other.

Mr. President, many times I find myself in complete approval of things which the Senator from Delaware suggests, but I am rather surprised to find him suggesting here the two objectives which I have already mentioned; namely, repudiating obligations already made and obligated in the amount of \$350 million-plus; and, second, proposing, without changing the basic legislation, to deprive farmers who are entitled under that basic legislation to sums which are fixed in accordance with that basic legislation, of their right in such a way as will not prevent them from having claims against the Government, which are enforceable. They would have to be paid by future appropriations or reduced to judgments in courts of claims. He does not propose to change this basic legislation; but, instead, proposes this limitation which does not at all go to the setting up of contracts in strict accord with basic legislation.

The third point I make hurriedly is this: I find no way at all to equitably distinguish between small and large farmers when it comes to the taking of a position here which, in effect, fixes prices on the market. It is fair to say that, with reference to one group of farmers, their price can be upheld to the tune of \$10,000 payments, and with respect to other farmers, their price upon the same kind of commodity, which happens to be produced in greater amount by them, will not be upheld but, contrarily, their product might easily be thrown on the market at a price which

will adversely affect the whole market structure?

I make these three points because I think they are basic, although they are not the only points which can be made. But, it would be inconceivable to me that Congress, which has passed this basic legislation and which is now trying to honor the \$350 million-plus of outstanding contracts, and is now not proposing to affect the basic law under which many new contracts will be made, and is not proposing to affect basic legislation under which all are treated equally, whether they be large or small, would adopt this kind of amendment. I hope that it will not do so.

Mr. TALMADGE. Mr. President, I heartily endorse and concur with every word the distinguished and able Senator from Florida has said with reference to the amendment. I hope it will be defeated.

Congress, in its wisdom, has passed farm price support programs for more than 30 years. We have tried to give the farmers a better share of the national income. We have not succeeded very well because farmers still earn only about half what the nonfarmers in the United States earn.

The amendment offered by the distinguished Senator from Delaware would have the effect of absolutely destroying the farm support laws in this country.

Why do I say that? Because Farmer A could be producing wheat, and if this amendment is agreed to, wheat would have one price for Farmer A and a different price for Farmer B. In other words, there would be unequal treatment of the laws in this country, affecting the people of our country. That would be inherently true of every price-supported farm commodity in the United States.

I do not believe we can pass legislation here and say, in effect, that though the Congress of the United States has passed these farm price-support laws, now we are going to destroy them by limitations in the appropriation bills that make such laws totally inapplicable and totally ineffective.

I believe all citizens of the United States must be treated alike, whether a farmer is a small farmer or a moderate-sized farmer or a large farmer. If we are going to have a price support program that will work, it means that every pound of every essential commodity that is grown must be supported by the Government at the same price. Otherwise you would have a sieve, through which some farm commodities would sift at a low price. Then how do you expect another farmer to sell the same commodity at a higher price when it is selling in this country at a lower price?

The Senator from Delaware has offered this amendment from time to time. It has some emotional political appeal in some quarters. I hope the Senate will understand that, if it is agreed to, it will destroy the farm price support program for all our basic commodities in the United States. I hope the Senate will turn it down by an overwhelming majority.

Mr. HOLLAND. Mr. President, I agreed to yield to the Senator from Nebraska, who, I understand, has to leave.

Mr. PASTORE. Mr. President, will the Senator yield me a minute to permit me to ask a question of the Senator from Georgia?

Mr. HOLLAND. I yield 1 minute to the Senator from Rhode Island.

Mr. PASTORE. Those of us who are interested in the textile industry—and certainly I am interested in the consumer, and I have always taken that position in my entire public life—feel we are in a paradox in connection with cotton. The cotton we produce we sell abroad to foreign manufacturers at a price 8 cents a pound lower than the domestic manufacturer can buy it in the United States, to make shirts and other cotton products.

I am wondering—and this is the question I ask the Senator from Georgia—whether this proposal would affect or repeal what we have done with regard to equalizing the plight of the domestic manufacturer, who is providing American jobs, as against a foreign exporter of goods to the United States, who can buy cotton from the United States at a reduced price of 8 cents per pound.

Mr. TALMADGE. It is the considered opinion of the Senator from Georgia that, if this amendment were to be agreed to, it would destroy one-price cotton that has been so beneficial not only to the farmers of the country but to employees in our textile industries and the textile employers themselves. This provision, in my judgment, would be an opening wedge to destroy the gains that have been made by the textile industry in recent years.

Not too many Georgia farmers would be affected by this legislation, but the Western cotton growers are much larger than those in my State. Those that now participate in that program with substantial acreage could not participate if the amendment of the Senator from Delaware were agreed to. I think the effect of it would be to ruin the jobs, the incomes, and the living of thousands of textile employees through the length and breadth of our country.

Mr. HOLLAND. Mr. President, I yield such time as he may need to my distinguished friend the Senator from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Two minutes.

Mr. President, I rise in opposition to the amendment. The case is well stated by the chairman of the subcommittee in the three points he makes. I just want to reiterate one of those points, namely, the effect of the amendment being a repudiation of contractual obligations of the U.S. Government. It would be hard to conceive of the practicality of the Government issuing a security on which it promised to pay 4½ percent and, at a later time, after the security had been issued, delivered, and paid for, to try to pass a law in the Congress saying no interest shall be paid on outstanding obligations in excess of 3½ percent interest. That, in a way, indicates what the amendment of the Senator from Delaware would do in that regard.

The arguments advanced by the Senator from Georgia are absolutely sound. The amendment would be a repudiation of the entire system of this type of pay-

ment. Perhaps that is a subject that can well be argued. Maybe it would merit some consideration on the basis of an independent debate. But certainly the way to attack the problem is not by the method adopted by the Senator from Delaware, however well-intentioned it is. I say that most respectfully, because all of us know of the sincerity efforts of the Senator from Delaware whenever he makes a proposal.

Mr. HOLLAND. Mr. President, I am going to yield to the Senator from North Dakota [Mr. YOUNG], but before I do, I want to advise the Senator from Delaware that the Senate Committee on Agriculture and Forestry is even now considering legislation for the future in this field. I warmly invite him to appear before that committee, because there would be the proper place for making this suggestion, and not by an effort to tie it to an appropriation bill, which would do violence to contracts that are outstanding.

I shall be glad to yield momentarily to the Senator. Then I have agreed to yield to the Senator from North Dakota.

Mr. WILLIAMS of Delaware. Mr. President, I yield 2 minutes from my own time.

I am submitting to the committee a proposal to amend the existing law.

The Senator from Florida has raised the question that this proposal should be directed to basic legislation. The reason why it is not directed to basic legislation is very simple. The Senator made a point of order against my first amendment, which would have amended existing law, and that point of order was sustained. I do not question it. The reason why we are acting here on the basis of a limitation is that we are not able, under the rules of the Senate, to offer a legislative proposal at this time.

If the Senator will withdraw his point of order I shall be glad to accommodate his wishes and make this an amendment to the existing law.

As to the price support program, the Senator from Georgia mentioned that my amendment would destroy it. The amendment does not affect in one iota the price support program. We do not touch that. The price support program is a separate law. The price support program is not affected by this amendment, either by its rejection or by its adoption.

We are not repudiating our obligations. We have no obligation to pay these large farmers half a million dollars or \$200,000, any more than we have an obligation to pay x dollars under the school lunch program or other programs. We modified that program this morning. We appropriate money, and surely, as we appropriate it we can lay down ground rules.

As to the argument that people would be treated unequally under the law if we put a limitation on large operators, I point out that there is nothing unusual about that. A large segment of American society is paying taxes to the Federal Government.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). The time of the Senator has expired.

Mr. WILLIAMS of Delaware. I yield myself 2 additional minutes.

At the same time, other American citizens, equally eligible to citizenship, pay no taxes and are the recipients of welfare due to their financial status. So we have a situation where one man is paying into the Government and another is receiving from the Government.

So the argument that we must give everybody \$50,000 or \$100,000 because he qualifies as a farmer, as far as I am concerned, is not a very valid argument.

All that I propose to do is put a limitation on the amount which can be paid to any one individual. As evidence that this is not a revolutionary proposal, under another section of the bill itself provides for ACP payments limiting to \$2,500 per farmer the amount anyone can receive, and that provision was put in by the committee. The small farmer can get up to that amount, and the larger farmer has that ceiling.

So we have a precedent for this proposal. It is just a question, Do we or do we not wish to limit these payments?

Mr. HOLLAND. Mr. President, with reference to my raising the point of order, as the Senator knows, that was my duty under the standing rules of the Senate.

Mr. WILLIAMS of Delaware. I appreciate that and did not question it.

Mr. HOLLAND. Furthermore, as the Senator knows, the Senate Committee on Agriculture is now considering legislation for next year and the following years in this field, and I have invited the Senator warmly to appear before us. He makes a very persuasive case, and the committee will be glad to hear him. That is the proper place; this is the point I have been trying to make.

Mr. President, I yield now to the Senator from Kansas [Mr. PEARSON], who the Senator from North Dakota tells me was on his feet before the Senator from North Dakota.

Mr. PEARSON. I thank my colleague. I merely wish to say that I concur in the comments of the Senator from Florida and the observations made by the Senator from Nebraska.

The facts and figures put into the RECORD by the Senator from Delaware are indeed startling. As I have extracted them, he indicates that there are five farming operations receiving more than \$1 million each; 15 receiving between \$500,000 and \$1 million; and I think about 388 receiving, every year, between \$100,000 and \$500,000.

These are figures that cause one to think again about the farm program. But the point to keep in mind, I think—and I represent, as does the Senator from Nebraska, an area where there are some very large farms—is that if the situation were such that the big farmers were making money and the little farmers were not making money, then there would be more merit to the amendment of the Senator from Delaware.

But parity, which is today about 72 percent, affects the big farmer as well as the small farmer; so the subsidies coming out are helping the big farm operations, which are caught in the same price squeeze as the little farmers. They are subject to the same low net incomes in proportion to investment, in proportion

to effort, and in proportion to the amounts they take in.

So I find it difficult, given those facts, to believe that the proposal made by the Senator from Delaware faces up to the realities of American agriculture today.

I thank the Senator for yielding.

Mr. PASTORE. Mr. President, may I ask the Senator a question?

Mr. HOLLAND. Mr. President, I yield another 2 minutes to the Senator from Kansas, so that the Senator from Rhode Island may address a question to him and receive an answer.

Mr. PASTORE. Mr. President, without regard to the emotional appeal—because when we say that we are paying a million dollars or a half million dollars to an individual to subsidize his profit, it is hard for most people to understand what that means to the consumer, what advantage he gets out of it—the Senator has made an argument here that in many of these cases even large producers are in financial straits.

The question I ask the Senator is this: If the amendment of the Senator from Delaware should prevail, what in fact would it do to that man who receives a million dollars in subsidies?

Mr. PEARSON. I think, if he is still operating under the production controls that he will be operating under, but not receiving the subsidy which he is paid to conform, under the law as it now is, he would be in very dire shape.

Digressing a moment from the Senator's question, I do not say that some of the large farm operations are not making money. I think they are. But where to draw the line between the large operations and the small operations, which are all subject to the same price situation today, at about 72 percent of parity, is what gives me great concern.

Mr. PASTORE. What will it do to the production of food, in an era when we have millions of people in our own country who are not being properly fed?

Mr. HOLLAND. It discourages it, of course.

Mr. PEARSON. I cannot answer the Senator's question, although it is an excellent one. I cannot answer except to say that I think we would have lower production, actually, in the food supply of this country.

Mr. PASTORE. The point I am trying to make is this: In the event we were to eliminate the subsidy, would that force even a large producer to the point where he would have to restrict his planting, and not produce as much?

Mr. PEARSON. I think it would have the opposite effect. I think if we were to pull away the subsidy which he is paid to conform to a farm program which limits production, the only opportunity he has, then, is to expand production, and that would have a very serious effect upon the market today.

Mr. PASTORE. Would not that give us more food to feed the hungry?

Mr. PEARSON. That is the argument of a great number of people who would like to remove all farm controls today. It might be a very good thing, but we have not gotten to that point yet; and as long as we are in a controlled agri-

cultural production, I find it very difficult to find a place to properly draw the line between the big farmer and the little farmer.

Mr. HOLLAND. Mr. President, I now yield such time as he may require to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, the amendment offered by the distinguished Senator from Delaware is not without merit, and is not without support in my State. I think some kind of a limit is desirable. But this is a question we would wish to consider very seriously, in view of the fact that these farm programs have been changed almost completely in the last 5 years. With respect to cotton, we now have a one-price program, and we do not require the big export subsidies of years past. With respect to wheat we have a one-price program now, with practically no export subsidy.

The cash price of wheat today is only about half what it was 20 years ago. There has been no other period in the last 20 years when cash wheat prices have been lower. To compensate for this lowering price, we have the wheat certificate payments. This is a part of the support the farmer receives to compensate for world prices for wheat. The same thing is true of cotton, and the same thing is true of sugar. We have gotten away from import protection for the sugar industry. But, in turn, we give the domestic producer a subsidy payment to stay in business and to give total income sufficient to produce at least a part of total requirements.

If it were not for the sugar program, there would be practically no sugar produced in the entire United States, and we would be completely at the mercy of the rest of the world. Nearly half of the income of the sugar beet producer is by way of payments under this program.

In my State, if you happened to be a sugar beet producer and a wheat producer, your payments would have to be fairly sizable if you were to maintain a feasible economic unit. This is in the nature of the programs. This is one of the reasons why Secretary Freeman, who is a long way from being a conservative, believes that a limitation would do great injury to these programs.

Wool is another example. In recent years, we have done away with price supports, and let the world price govern. In order to maintain any wool production at all in the United States, we pay the wool producers a subsidy payment. Even with this payment, the sheep population now is far lower than it was 100 years ago. I think everyone will agree that it is highly desirable to maintain some kind of wool production in the United States. That is why the textile manufacturers, and even the textile workers, are greatly interested in these programs.

This proposal would not seriously affect my State. I suppose more than 90 percent of our producers receive payments of less than \$6,000 a year. There are none in the bracket over \$100,000, that I know of. So the proposal of the

Senator from Delaware does not seriously affect my State.

But if we want to keep the programs workable, it is necessary to have the big producers as well as the small producers participating in them, and that includes the land retirement program, the acreage control or production control programs which include payments?

These programs are not without their shortcomings, but without them agriculture, the most important biggest segment of our economy, would be in much more trouble than it is today.

What is more important than the production of food and fiber here in the United States? The purchasing power of the agricultural economy is far greater than any other segment of our economy, and the programs, as I said before, are now based on these payments. If we place a limitation on them, I think we should seriously consider what that limitation should be and it should be written into the acts themselves. Otherwise we might wreck the whole program.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator.

Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, most of these large payments referred to by the Senator from Delaware are in the sugar program. I want to make it very clear that those payments are financed by a process tax against the very sugar the grower produces. And the payment he gets back is smaller for the big producer per unit than it is for the little producer.

The result has been that every year a very large payment is made to the general revenue fund after the operation of the year's business.

If the Senator will look at his figures, he will find that most of these large payments are made to large sugar producers who have already put up more than they got back.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I yield 5 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Florida does not have 5 minutes remaining.

Mr. HOLLAND. Mr. President, I will be glad to yield time from the bill. I have 30 minutes on the bill, as I understand it. I yield 5 minutes from any time that I have to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, the pending amendment, or similar amendments, have been offered many times in the past and have been defeated consistently by sizable margins. I hope that this amendment will likewise be rejected.

The various farm programs have been passed in an effort to do two things. The first was to assure the farmers of the country some reasonable income commensurate with their important part in the economy and comparable to that of people who live and work in the cities. That objective has not been reached; the farmers still work the longest hours

and receive the lowest reward for their labors. The second objective was to deal with the enormous surpluses built up after World War II. Substantial progress has been made toward this objective, but we wish, certainly, to retain this satisfactory relationship.

The pending amendment would destroy our farm programs, because we cannot deal with one farmer in one manner and deal with his neighbor who is producing the same farm commodity in a different manner.

This amendment is directed to establishing eligibility of producers for price-support payments rather than to restrict the use of funds in the appropriation. The impact of the limitation would fall directly on large producers, but would indirectly affect all producers. If large producers were unable to use price-support loans to carry out orderly marketing, they would be forced to dispose of crops in such a manner that prices would be depressed, thus adversely affecting small producers and disrupting orderly marketing procedures.

The result of such an amendment would be the collapse of successful farm programs and a return to the situation of more than 30 years ago with alternating overproduction or underproduction, extremely high or extremely low prices, a depressed agricultural economy including foreclosures of small farms, and a probable national depression.

An appropriation bill is not the proper vehicle for establishing public policy with respect to the substance of our agricultural programs.

As important as is the policy dealt with by the pending amendment, it seems to me that the most conclusive and unanswerable objection to this proposal on an appropriation bill is that it is wholly inappropriate to deal with it in this manner, even assuming that it had any substance.

I hope that the Senate will reject the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLAND. Mr. President, I yield the distinguished Senator from Wyoming [Mr. HANSEN] as much time as he needs.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I rise to speak on the pending amendment with mixed emotions. I am not unmindful of the fact that since 1960 in this country we have lost nearly one out of every four of our farmers from the farms and ranches of America.

I am conscious of the fact that parity stands today at 73 percent. Cattle ranchers, of which I am one, are receiving for their products today about the same amount that they received 20 years ago.

If there is one thing on which most or many of us could agree, it is that our experience in controlled agriculture has not been very successful.

I hope that before too long this very distinguished committee can get together and decide and agree upon a plan and a program that will be more responsive to the desires of the consuming public while

recognizing at the same time the problems of rural America.

We are concerned when we consider the problems of cities and municipalities. We recognize that much of the problem existing in those areas has resulted from the extreme poverty which characterizes sections of rural America today. There has been an exodus from the rural South and from the West to the cities because farm income has been so low. Yet, at the same time we are called upon to support a program that is costly and that seems to fly in the face of some of our other objectives.

I was quite interested in the question of the distinguished Senator from Rhode Island [Mr. PASTORE] who said:

Would not these programs, if they were changed so as to encourage production, help alleviate hunger?

The fact is that a lot of the crops which are presently price-supported are not very much in demand. I doubt that there are very many poor people in the country today that do not have available to them some of the surplus crops that are being price-supported today.

I say this from some firsthand knowledge. In my State of Wyoming, I know it has been reported more than one time. When we used to have a surplus commodity availability plan whereby welfare recipients could get certain commodities that were in excess, they chose not always to use the commodities they were able to receive. And one could drive down certain farm and country roads around some of the cities in Wyoming and find thrown out alongside of the road some of the commodities that were actually being given away by welfare agencies.

So, I do not think it quite responds to the question of hunger in America to say, "Would we not be better off to vote to stimulate production of commodities already in surplus?"

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. HANSEN. I yield.

Mr. PASTORE. Mr. President, I think that the Senator from Rhode Island was grossly misunderstood on that point that he was trying to make.

I have been listening very attentively here, and there was such a push here for the subsidy that I was wondering if we eliminated the subsidy, whether it would put thousands of people out of jobs and drive people away from the farm and do us more harm than good in the long run.

I regret very much that the Senators from these States have talked around the point and not come to the center of the point I am trying to make.

In other words, why are the subsidies so essential? Would it hurt the consumer and the population of America in the long run? Would it drive these people out of business? Would it drive the farmers to the urban areas, as the exodus in our experience has shown over the years?

I think when we talk to a consumer and tell him he has to pay a little more, we ought to justify why we are doing it and why it is to his benefit. And no one has said that yet. No one has quite ex-

pressed that, and I hope somebody would do so.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. Mr. President, I am very glad to answer that question categorically, because in my opinion, it would drive many thousands of small farmers off the farms and into the cities. In my opinion, it would make it possible only for the well financed, highly organized, and large farmers to stay in business.

I have been willing to support price supports—which are not popular in my State—because I think it is part of the effort to keep the people on the land, it is necessary, if we are going to keep them there. It strikes very strongly at the question of prosperity in the country and prosperity in the city. If you add hundreds of thousands going to the cities, and they are to be added to those who are already there and who have found no particular place to work, our problems in the great cities are simply complicated.

So my feeling is that the answer to the Senator from Rhode Island is this, and it is clearly this: destruction of the price support system is a destruction of literally hundreds of thousands of small farms.

Mr. PASTORE. I have been waiting for that answer for an hour, and I thank the Senator from Florida.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. YOUNG of North Dakota. I agree with the Senator from Florida. This would accelerate the exodus of the farmers to the big cities.

In further reply, the eventual result would be more big corporation farmers and much fewer farmers. The fewer farmers we have—and we have only about 3.5 million now—they would have a much better chance to get together and organize, control markets, and demand and get a higher price.

Mr. PASTORE. The Senator from Rhode Island has to go back and explain to the consumer in his State. We have no price supports in my State that amount to anything, whether it is 5 cents, \$5,000, or \$5 million. We buy; we do not produce. On the other hand, there must be something to buy, in order to eat.

I have been waiting for this answer, because I have to document what I say, because I am going to vote against the amendment.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I had yielded to the Senator from Wyoming. I will yield if he has concluded.

Mr. HANSEN. I did have one or two more comments. I appreciate the graciousness of the Senator from Florida, and I will yield the remainder of my time back, in order that other Senators may be heard.

Mr. HOLLAND. I have only 18 minutes remaining. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, as one who has viewed most intimately the entire change in the migration away from

the farm and the changed methods, I heartily agree with the Senator from Florida in his fine analysis of the situation as to the impact and the necessity to keep this matter spread out and to keep more people on the farm.

Some type of subsidy program is absolutely essential, and if you do not have it, the day will quickly come when, as the Senator from Rhode Island has said, the supply of food would be reduced and it would be necessary to pay a premium price for the supplies that were available, because the production would not be there.

Mr. HOLLAND. I yield myself 1 minute.

If I may add to my answer to the Senator from Rhode Island, not only would the production be more concentrated in the hands of the large producers, but, also, the mechanization would be largely stepped up, because it is the large producers who are able to avail themselves of every fine development in mechanization. That means, of course, a reduction in agricultural employment, which means that more and more people who have been employed agriculturally will go to the cities—not only the producers but also the employees.

Mr. President, I see that the chairman of the legislative committee, the Senator from Louisiana [Mr. ELLENDER], who is extremely knowledgeable in the field of agriculture, is in the Chamber. I shall be glad to yield to him out of my limited time, if he wishes to say anything on this subject.

Mr. ELLENDER. Mr. President, as chairman of the committee, I appreciate the kind remarks of my good friend the Senator from Florida.

A few years ago we had a study made with respect to what would happen if we were to strike out all price supports. The study was very interesting, and it showed that wheat as well as all other commodities could not be produced profitably unless we had price supports.

The report showed further that farm prices would fall substantially and production would continue to increase by about 2 percent per year if all acreage controls—except tobacco—were removed and price supports were at levels which would permit an orderly reduction of currently excessive stocks of storable agricultural commodities over a 7- to 10-year period.

Increased marketings would result in average farm prices of about 90 cents per bushel for wheat; 80 cents a bushel for corn, with other feed grain prices in proportion; \$3 per hundredweight for rice; 25 cents a pound for cotton; \$15 per 100 pounds for beef cattle; \$11.20 per 100 pounds for hogs; \$3.60 per 100 pounds for milk at wholesale; 29 cents a dozen for eggs; and 15 cents a pound for broilers.

The farmers would not ask for any price support, if every industry can start from the same level. But with contracts providing a minimum wage of as much as \$1.60 per hour, that affects the farmer.

On the other hand, the cost of a family-type farmer getting into business has gone up from a measly \$5,000 to \$6,000 per year, say, 15 years ago, to as

much as \$50,000 today. A good deal of the production must be mechanized.

I am very hopeful that we can continue this program. We are now in the process of extending the act of 1965, and I believe that act is a very good one; and with a few minor changes in it, we can make it better.

Insofar as the amendment of my good friend, the Senator from Delaware, is concerned, I hope that it is rejected. He has been offering it for many years.

I wish to point out that the objective of the Department is to get acres out of production; and whether those acres come from a 50-acre farm or a 10,000-acre farm, the point is that we want the acres out of production. That is exactly what takes place now. A graduated scale of payments would not work, in my humble judgment, and I am very hopeful that the amendment will be rejected.

Mr. HOLLAND. I yield myself 1 minute.

Mr. President, I am glad the distinguished Senator brought out the fact that hearings are now pending. I had already made that statement, and I had gone further and invited the distinguished Senator from Delaware to appear before our legislative Committee on Agriculture, which is the proper place to request any change in the basic agricultural legislation. I hope the distinguished Senator from Louisiana will join me in that invitation to the Senator from Delaware.

Mr. ELLENDER. I hereby invite him.

As the Senator knows, we will present to the committee next week a bill which will have a few amendments, in keeping with the hearings that were held approximately 4 or 5 weeks ago. It is my hope that we can have hearings in the next 2 weeks so that we can bring back to the Senate a revised 1965 act. I am hopeful that my good friend the Senator from Delaware will appear and testify on the subject we are now discussing.

Mr. HOLLAND. Mr. President, I yield 1 minute to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I desire to make a further observation with respect to the question of the Senator from Rhode Island.

I believe it is quite clear that the prices of agricultural products, especially as received by the farmer, have not gone up in relation to the price of manufactured goods, wages, and so forth. I believe one reason is that this program has helped restrain both the fluctuations, which always cause dislocation, and the continuation of the efficiency of operation. I believe that poultry, which is a big industry in my State, is a remarkable example of that. These people are now receiving only 14 cents a pound for the poultry at the farm. I will grant that one must pay 28 cents on sale and 32 cents in the regular market in this area. It is still one of the cheapest items in relation to what purchasers buy.

The people in the poultry industry are not supported directly, but the feed and other things that are necessary are supported, and they get a regular supply. I believe it does provide cheap food.

Mr. HOLLAND. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining on the bill.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HANSEN. Mr. President, I am somewhat confused. If I correctly understand the statement of the distinguished Senator from Louisiana, I believe he said that the purpose of this bill, or one of the purposes, is to take acres out of production. I can only conclude from such a statement that the framers of this measure must recognize that there is more land potentially able to produce than would serve the purposes of this country if it were all in production. So we are paying farmers money to keep acres out of production.

On the other hand, I understand the distinguished Senator from Florida to say that one of the results of the adoption of the amendment proposed by the distinguished Senator from Delaware would be to force additional farmers off the farms and thereby to reduce production; and it would follow logically, I should think, that this would result in higher prices being charged and being demanded for agricultural products.

The thing that disturbs me is that apparently this bill, as it is viewed by different Senators, would serve a double purpose. On the one hand it would keep land out of production, hold production down, and on the other hand it would keep farmers on the land so that we can be assured of adequate production. To me it seems obvious that it is a failure.

We have had a law that results in the farm population receiving, according to the testimony of the Senator from Nebraska yesterday, about 65 percent as much per capita in personal income as does the average nonfarm person in this country today.

All I can say is that I think it is time we overhauled the entire program. I shall vote against it, but I am disturbed. It seems to me that we are riding off in two different directions at the same time.

Mr. HOLLAND. The Senator from Florida has at times had that feeling of frustration in connection with the price support program, which is not popular in my State. It is my prediction that anything, such as attempted here today, even if written into the basic legislation, would drive off the farms the very people we are trying to keep on the farms, the small farmers, and it would enable the large operators to build bigger empires.

I have already invited the Senator from Delaware to appear before our committee. I extend that invitation to my good friend, the Senator from Wyoming. We need the best brains in the Senate to bring out the best we can.

There is a difference of opinion within our committee, and further, I want to say that there is a difference of opinion by industries and commodities. They are not alike and production conditions are not alike. Therefore, it is an exceedingly difficult problem to solve.

I hope our good friends will be able to accept the invitation to discuss this matter.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HANSEN. If I may, let me first express my gratitude to the Senator for the generous invitation to come before his committee and make whatever contribution I might be able to make. I have no illusions at all about the enormity of the task facing the Committee on Agriculture and Forestry in trying to bring some semblance of order out of what I think is a chaotic situation, with all the limitations the agriculture program poses to American lawmakers.

Insofar as my State is concerned, I recognize the importance nationally and strategically of our being somewhat independent and self-sufficient, and having a production potential in this country that adds to our national security by seeing that we are able to produce all the things we need.

I have felt for some time, as far as livestock and wool are concerned, that we would be better off by bringing meaningful quotas into being so that with respect to imports our production could be better protected. More than 11 percent of our red meat in this country was imported last year and the effect it had on ranchers and farmers was nothing short of disaster.

I appreciate the generous invitation and I will be very happy to make whatever contribution I can.

Mr. HOLLAND. I thank the Senator. I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 19 minutes remaining.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS of Delaware. Mr. President, in the last hour we have heard so many expressions of sympathy for these poor farmers in America that I thought I had better join in this expression of sympathy and lend a word of encouragement to my brothers on the floor by pointing out that the approval of this amendment would not destroy these poor farmers for whom they are so concerned. I refer to part 2 of the committee report, which is on the desk of each Senator. I wish to call this matter to the particular attention to the Senator from Rhode Island, inasmuch as he raised this question and expressed interest in it.

Total payments under this program are estimated at \$3,081 million. That amount is paid out under this type of payment we are dealing with here. It is estimated about 6 percent of our population is on the farms, which is about 12 million people. I do not know how many receive these payments, but they run into millions of farmers. The committee report does not list the number of farmers that draw less than \$5,000, so I cannot give that figure. However, those who

draw less than \$5,000 are not affected by this bill, and there are millions of persons getting less than \$5,000.

The payments to farmers drawing less than \$5,000 total \$1,852 million, or 60 percent of the total. They would not be affected. Therefore, there are millions of small farmers who are not affected one iota by this amendment. A \$10,000 ceiling on payments would exempt \$380 million additional from this amendment.

Which farmers are affected? It would affect about 30,000 farmers in the entire United States, and they are affected only to the extent they would get paid more than \$10,000. I sympathize with these persons, and perhaps eventually we will have to adopt or expand the poverty program to take care of some of these people.

Nevertheless, for the moment, let us see what happens under existing law. Five farmers draw over \$1 million, for a total of \$10,889,036. I do not think those "poor fellows" are going to the poor house. Fifteen farmers received \$9,356,000; 388 farmers received \$64,883,000; 1285 farmers received \$84,603,000; 4,843 farmers received \$161,642,000; 9,894 farmers received \$186,931,000; 15,415 farmers received \$186,318,000.

These were all receiving above the \$10,000 limitation, referred to in my amendment.

The average is around \$50,000 apiece, and they are drawing all the way up to millions of dollars.

All I am proposing to do is to roll the amount back to \$10,000. That would not affect the small farmers one iota. They would have an advantage; and why should we not give them an advantage?

One of the farmers in that large group is the Louisiana State Penitentiary, which received \$89,697. That land belongs to the penitentiary. I do not think that the Louisiana State Penitentiary is one of America's small farmers.

I notice that the State of Montana received \$553,358 not to cultivate its farms. I respect the State of Montana as much as I respect my own State, but it does not have to be paid not to cultivate the land.

We have \$653,252 being paid to one corporate-type farmer in Mississippi. This is owned by British interests. Why should we pay the British that amount of money not to farm in the United States?

Much is said about the wool program. I say again that the small wool producer is not affected. Certainly we need wool in this country, but let us not take all the fleece off the American taxpayer. We have about shorn the American taxpayer. They need help. Let them keep a little wool on their backs.

My proposal would not affect the millions of small farmers who would be eligible to get full payments up to \$10,000.

I do not see how we can justify these large payments. The argument is made that the sugar program is self-sustaining, in that we take the tax on the sugar and put it in a special fund to pay the subsidy payments. To an extent, that is true, but on the other hand, we could take the income tax that the farmers

of America pay and put that in a fund by itself, and we could say that that pays their own subsidies. We could take the income tax of the corporations of America, and we could say that that pays their subsidies. If we are going to give everyone back his taxes in some form of subsidy, on what will we run the Government?

The mere fact that the funds are earmarked does not mean they are not coming out of the Federal Treasury. This amendment does have merit. The very least we can do at a time when we plan to cut \$6 billion—that is what the Senate has decided to do from next year's spending—is to establish a system of priorities. There is merit to every program we are proposing to cut, but at some point, somewhere, we must establish priorities. If we do not, then we will be delegating authority to the President.

I think we have a responsibility here. I appreciate the good intentions of those who oppose the amendment. I do not question for one moment their sincerity. They have an argument on their side. But there is not a single program that I know of that will be debated in the Senate during this session, when we are trying to cut, that someone cannot rise on the floor and give an excellent argument as to the merits of the program.

I think we must cut some of the programs that do have merit. I point out again that if we adopt the amendment there will still be \$2,400,000,000 to be paid to millions of American farmers who would not be affected one iota by the payments left under the bill.

Mr. PASTORE. Mr. President, the Senator makes a persuasive argument, which is music to the ears of the Senator from Rhode Island, because I do represent a consuming State and I have voted with the Senator from Delaware time and again. But I know this: I have been a Senator now for 18 years and the question of commodity subsidization has been one of the most perplexing problems we have had to contend with. As a matter of fact every presidential candidate, has always talked about it. They are doing it even today in various parts of the country. I quite agree with the Senator from Delaware—may I have his attention, because there is no need to talk if he is not listening?

Mr. WILLIAMS of Delaware. Excuse me. I am listening.

Mr. PASTORE. I quite agree with the Senator that this needs quite a considerable review. There is no question about that. It needs some modification. There is no question in my mind about that. But, what has the Senator to say to the argument made by the Senator from Florida that because of the authorizations in the basic law, we have already made commitments to these producers and now we would withdraw that commitment. Would we not be breaking faith on this appropriation bill, which raises a serious question in my mind as to whether this is the proper way to do it?

I agree with the Senator from Florida that this should be referred to his committee and studied very thoroughly. Possibly, we should wait to see what the new President has to say about it because it is one of the most important problems

confronting the American people, whether producer or consumer. The magic of America, the miracle of America, is that we have always been able to produce a great deal more than we actually need for our own subsistence. Moreover, we have shared much of our bounty and largess with other countries of the world.

Some people argue that if we did not have the program at all and had no restraints at all, a producer could produce whatever he wanted and find his own way on the open, free market.

There are two questions I have in my mind: Why does the Senator from Delaware include anyone at all? Why \$10,000 to anyone? Why 5 cents to anyone? If a man has to take his chances on selling what he grows, then what difference does it make whether it is \$10,000 or \$15,000? Where does he get the figure to shut it off at \$10,000? That is question No. 1.

Question No. 2 is whether it is not rather unfair at this moment, and an element of breaking faith after having passed an authorization bill and indulging in this program, that we now say that in the bill which provides the money, they cannot have the money?

Mr. WILLIAMS of Delaware. First, as to the commitments of the wheat farmer and the corn farmer, those who are going to participate in this program. That corn is planted and will be planted before this fiscal year is out, and they will have established their eligibility to be paid under 1968 commitments. As to the commitments made in the next planting season, which would be wheat, which would be seeded in the fall, those commitments are not there. We can make the same argument that if we make it in January, because the wheat is in the ground, there is always one type of crop in the ground which will be planted, so that we can fulfill the commitments on those farmers who have actually planted their crops. They would still fulfill their commitments if it was adopted. So we will always have that cutoff.

As to the argument, "Why don't I testify before the Agricultural Committee?" let me say that I was a member of the Agriculture Committee several years ago. Both then and since, I have been consistently and repeatedly trying to get a limitation on, so there is nothing new in this proposal. I will be before the Agriculture Committee. I appreciate the invitation of the Senator from Florida, but I am going to be there, anyway, I will get the same arguments then that we get when we get on authorizations, that there is precedent in the Senate, that it did write a ceiling on payments. That same argument was made so that we can write a ceiling in.

As to the argument about waiting for the next President, I do not think we can afford to wait. We are proposing to cut \$6 billion from the 1969 expenditures under that budget. Some of that will be reflected between now and the time we inaugurate Nixon but, nevertheless—[laughter]—we cannot just wait on all this and expect Mr. Nixon to put the \$6 billion into effect in the last half of the fiscal year. I think we have got to distribute it across the board.

Seriously speaking, though, we are going to be confronted with the question of establishing priorities. I just personally feel—although I appreciate the argument of my friend from Rhode Island—that there is no violation of a commitment here because, as I said before, the grain farmers will not be planting corn in the month of June. If I am not mistaken, the deadline for signing up for the grain crop was March 15. Anyway, that time has passed. They can sign up for wheat, and the wheat that would be planted in the fall would be affected. There is no question about that. But they would know it, and they could make their plans accordingly.

Mr. PASTORE. I hope that the Senator from Delaware does not have the impression that the Senator from Rhode Island is trying to be funny—

Mr. WILLIAMS from Delaware. No.

Mr. PASTORE. I was not suggesting who might be the next President of the United States. I do not think that has anything to do with it. I hope that I was not misunderstood in that regard, nor that I suggest—

Mr. WILLIAMS of Delaware. No.

Mr. PASTORE (continuing). That people who drive around in air-conditioned Cadillacs are expanding the poverty population. Wit is wit and being funny is being funny, but I do feel that what we are discussing here is a matter of sincerity and seriousness. I do not think it could be called in any way funny. I do not see what is funny about it.

Mr. WILLIAMS of Delaware. The point I am making is—

Mr. PASTORE. I do not see what is so funny about this as to provoke any laughter. That has no place in this debate.

I hope that we are talking about a very serious problem. I hope that we are all trying to be fair. I hope we are not trying to outmatch one another with wit or facetiousness. I hope that is not the case. We can disagree without being disagreeable and without making fun. I do not believe this is any funmaking matter. I think we must conduct ourselves as men, and talk as men, with commonsense and clarity.

Mr. WILLIAMS of Delaware. I am sorry if I offended the Senator from Rhode Island—

Mr. PASTORE. The Senator did not offend me, but—

Mr. WILLIAMS of Delaware. Let us face it—

Mr. PASTORE. If this is a question of laughter, it does not make any sense to me.

Mr. WILLIAMS of Delaware. I agree with the Senator that it is not a laughing matter, sometimes, a good laugh does a guy good.

In all seriousness, let me say that I was answering the point of why we cannot wait until we get the next President.

That argument can be made on every proposal to cut during the time we are acting on appropriation bills, if we are going to postpone all these reductions.

It certainly is not a laughing matter, but the reason I made that proposal is that some of the spokesmen think that we should postpone these cuts until after

the first of the year. The intention of the \$6 billion cut is that part of the reduction should be allocated to this half of the fiscal year and part of it to the next half. There may be a difference of opinion as to whether we should or should not cut, but if we are going to cut, we have to start somewhere, and if we do, it is going to hit some programs which many of us feel are important.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. I think the argument of the Senator from Florida has great merit. It is one thing to limit payments and another thing to change the whole concept of many of these agricultural programs; for example, the sugar program. We lower the tariffs. We take cheap, foreign produced sugar. Of course, at times the world price goes higher and the American public gets taken. So in the long run, the program is to their benefit. But the whole program is based on these payments. Many farmers, even those with fair sized farms, and especially average size farms, would be hurt by this amendment, particularly if the farmer is involved in the wheat program and sugar programs the same year.

With respect to wheat, the whole program was changed to lower price supports, so that the price of wheat now is about the same as the world market price. There is practically no export subsidy involved. The program provides that for that portion of the wheat consumed in the United States, the farmer will receive full parity or about \$2.60 a bushel. The difference is made up by the wheat certificate payment. The small and large farmer alike are entitled to the payment, because under the concept of that program, that is what he is supposed to receive on that part of the wheat consumed in the United States. So you would have to go into the rewriting of many of these programs. Therefore, I believe there is more involved than just limiting the amount of the payments.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. WILLIAMS of Delaware. I am ready to vote.

Mr. HOLLAND. Mr. President, I yield myself 3 minutes on the bill, to make three points.

The first is that—and I want the whole Senate to understand this—this bill is a barebones bill. Senators will see, on page 1 of our report, the two figures applicable. As compared with the appropriations act of last year, we are \$1.615-plus billion under that act. As compared with the budget estimates for this year, we are \$1.387-plus billion under that estimate. That is the first point.

The second point is this: Like the Senator from Rhode Island, I noted the complete lack of any answer on the part of the Senator from Delaware to a point I made in my original presentation, and that is this bill provides \$350 million to apply on obligations set up this year, 1968, but payable the next fiscal year. Senators will find that referred to on page 35 of the report. I read these words:

The amount proposed includes \$350,467,000 to liquidate contract authorization established in fiscal 1968 and payable against obligations in fiscal 1969.

There is not any question about it. This amendment would prevent carrying out our contractual obligations to people relying upon the faith of the United States.

The third point, which I noted the Senator made no attempt to answer in the beginning, and which I think is unanswerable. We had the solicitor from the Department of Agriculture down yesterday. He told us that, as to this amendment, there is no question that the basic legislation was left intact—and the Senator from Delaware knows that—and under that basic legislation many farmers would be entitled to over \$10,000, and they would have a complete right to have a claim against the U.S. Government, which we would have to recognize either in an additional appropriation or which could even be reduced to a judgment against the United States.

No effort was made to answer those two points, and I think they alone are enough to require rejection of the amendment.

Mr. WILLIAMS of Delaware, Mr. President, will the Senator yield me 1 minute?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. I respect the positions of the Senator from Florida. It is still my contention that as far as feed grains are concerned the period for signing a contract is over. No farmer can sign up from this date on for the 1968 crop, and they would be eligible for payments, and those payments will be made. They can stop signing up under the program for the fall plantings in this calendar year. In my view, that would not violate contracts.

There is no need to debate this further. It would apply only next year. The basic law does need amendment. I had hoped we could amend it, but the amendment was subject to a point of order. We will try it later, but, at the very least, we can adopt this amendment here today.

Mr. HARTKE. Mr. President, I join my distinguished colleague the Senator from Delaware [Mr. WILLIAMS] in support of his "saving" amendment. This amendment would cut \$600 million for agriculture subsidy programs by limiting the annual maximum payment to \$10,000 per farm.

If critics are concerned for budget cuts, this is a good place to begin. This is the program which allows one giant corporation farm owned by British interests to collect more than \$600,000 annually. Another recipient of subsidies over \$10,000 is the Louisiana State Penitentiary Farm.

The original intent of the subsidy program was to help the small farmer. Indiana has a lot of small farmers. Our farmers in the 76 counties, which were declared disaster areas last year, would be grateful of this saving. There are not enough funds in the Farmers Home Administration Emergency Loan Bank to provide these people with desperately needed aid. I might add that the Army Corps of Engineers has just estimated flood damages on the Wabash River and its tributaries this year at \$15,000,000 to farmlands.

I urge my colleagues join in support of a \$600,000,000 cut in farm subsidies. In my own State of Indiana only 130 farms

receive over \$10,000 a year. Two receive over \$50,000 and only seven over \$25,000.

For fiscal year 1969 our committees have been forced to cut far more deserving programs than this one—watersheds, reservoir construction, and land acquisition for conservation. Let us get our priorities in line and stop support to foreign interests and corporate giants.

Mr. HRUSKA. Mr. President, on behalf of the Senator from Hawaii [Mr. FONG], I ask unanimous consent to have printed in the RECORD the text of some remarks the Senator from Hawaii had intended to deliver today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AGRICULTURAL PAYMENT LIMIT WOULD DESTROY HAWAII'S SUGAR INDUSTRY

Mr. FONG. Mr. President, I am unalterably opposed to the Williams amendment to establish a ceiling of \$10,000 for agricultural payments, including compliance payments to U.S. sugar growers.

There is no question that such a limit would destroy the sugar industry in Hawaii. This in turn would deal a staggering blow to Hawaii's economy, which is based heavily on the sugar industry.

Sugar, Hawaii's leading farm crop, yields more than 190 million dollars a year in income to the economy of our Islands. It provides full-time jobs for some 12,000 workers and pays them over 69 million dollars in wages. Hawaii's sugar workers are the highest paid agricultural workers in the world.

Hawaii's sugar producers comply with all the requirements of the Sugar Act in order to qualify for compliance payments. In other words, Hawaii's sugar producers comply with production restrictions, pay "fair" wages to workers, do not employ child labor, and if they are processors too, they pay "fair" prices for sugar cane. In so doing, Hawaii's sugar producers earn entitlement to payments out of a fund consisting of Federal excise taxes collected by the Treasury on all sugar, foreign and domestic, processed in the United States.

The purpose of the sugar excise tax is to provide funds to pay U.S. sugar producers or processors for maintaining good working conditions, promoting orderly development of the sugar industry, and stabilizing the price of sugar for our domestic consumers. Compliance payments, therefore, are not a subsidy.

However, compliance payments are an integral part of the U.S. sugar program designed to assure American consumers ample supplies of this essential staple at modest prices. If this amendment is approved to limit compliance payments to \$10,000, the sugar industry in Hawaii could not survive. Hawaii would suffer tremendous disruption of her economy and of her economic growth.

Loss of Hawaii's sugar industry would not only inflict great damage on my State, it would also have very adverse consequences on the entire domestic production of sugar. For Hawaii produces about one-sixth of all U.S. sugar production. Compliance payments are therefore not only crucial to Hawaii but vital to the stability of the U.S. domestic sugar industry.

It should be remembered that these payments are made on a sliding scale; the lower the production, the higher the compliance payment per ton of sugar. In this way, small producers receive more per ton in compliance payments than large producers.

Only those growers who produce 350 tons of sugar or less are entitled to the maximum authorized compliance payment of \$16 a ton. Large growers receive less per ton, with the largest paid \$7 a ton.

The largest payment made to Hawaii's sugar producers in 1965 was \$8.83 per ton,

whereas compliance payments to producers in other domestic areas went as high as the maximum of \$16.00 a ton.

Total compliance payments to Hawaiian companies ranged from a low of \$54,600 to a high of \$1,177,000, with the majority of companies receiving over \$200,000. These large payments are necessitated by the special nature of sugar cane production. Unlike many other agricultural commodities, sugar cane needs vast acreages in order to attain high efficiency. Hawaii sugar producers must plant enormous acreage before they can produce a high output of cane and achieve the efficiency of labor that will make Hawaii's sugar competitive in the marketplace.

There are about 237,000 acres devoted to cane and at least one-half of this acreage must be irrigated. Because of Hawaii's mountainous terrain, expansion of acreage is limited and costly. Sugar producers have spent large sums of their own money—none Federal—to develop and operate wells, reservoirs, ditches, and tunnels of the elaborate irrigation systems now in use. Hawaii's sugar industry also spends more than two and one-half million dollars annually on sugar research, an activity financed by the producers since 1895. As a result of the Hawaii sugar industry's own efforts, Hawaii has one of the highest sugar yields per acre of any area of the world.

Efficiency per acre is a "must" for Hawaii's sugar producers, considering the cost of modern equipment, the cost of its skilled labor, and the great distance of Hawaii from Mainland markets. Hawaii's closest market for sugar is San Francisco, some 2400 miles away. Most of the Hawaiian sugar is refined at Crockett near San Francisco and is marketed in 26 western and mid-western States, including Alaska.

These are some of the compelling reasons for development and operation of large farming units in Hawaii. There are 25 large sugar plantations which produce some 93 per cent of Hawaii's sugar. The other seven per cent is produced by 750 small independent growers. The small producers receive higher compliance payments per ton than the large producers. Since compliance payments are based on total farm production and most Hawaiian sugar is produced on the large plantation company farms, many of the total payments are large.

I would like to point out, however, that in every year since the inception of the Sugar Act, the excise tax paid on sugar produced in Hawaii has substantially exceeded the compliance payments to our sugar companies. In 1965, the latest year for which I have figures available, the U.S. Treasury collected \$11,607,060 in taxes on Hawaiian sugar, and paid back a total of \$10,760,112 in compliance payments to Hawaiian sugar companies. Thus, in 1965 as in past years, Hawaii paid more in taxes than it received in compliance payments. Clearly, there is no net drain on the U.S. Treasury.

In fact, during the life of the Sugar Act, the Treasury has collected over \$500,000,000 more in the sugar excise taxes than it paid out in compliance payments to U.S. sugar producers. This program has operated at a profit to the U.S. Treasury.

Over the period of the last ten years, a majority of the sugar producers in Hawaii would have operated at a net loss if there were no compliance payments. In fact, many of our companies were in the red even with these payments. No industry can survive if it is consistently in the red. Any lowering of the ceiling on compliance payments would sound the death knell for Hawaii's sugar industry. It would be an economic disaster for my State, which is the largest sugar producing State. There are no important alternative agricultural uses for the land now used for sugar cane.

Hawaii's sugar industry faces large new costs over the next few years as it cooperates

in the nationwide drive against water pollution. It has agreed to prevent dumping of bagasse into streams and ocean, a process that will require substantial expenditures. The sugar industry also faces unknown, but undoubtedly large, expenditures in complying with Hawaii's water quality standards on turbidity and thermal pollution. Such added costs will put an extra financial drain on Hawaii's sugar producers.

To summarize, the sugar industry in Hawaii provides year-round employment for some 12,000 people. It pays over \$69,000,000 in wages. Sugar workers in Hawaii are the highest paid agricultural workers in the world. Sugar represents a private investment of \$200,000,000, with 12,500 individual stockholders, of whom more than two-thirds live in Hawaii.

The Williams amendment would destroy these jobs and this investment. It would deal a death blow to our sugar industry and plunge the economy of Hawaii into a tailspin from which it would be very difficult to recover.

Hawaii's sugar industry has been a world leader in sugar technology and mechanization. It has served our nation well in war and in peace, providing sugar so basic to human needs.

It would be unthinkable for the Senate to approve the pending amendment, which would surely destroy one of Hawaii's prime industries.

I am totally opposed to this amendment. I urge my colleagues to join me in voting against the Williams amendment.

Mr. PEARSON. Mr. President, I find myself in agreement with much of what the distinguished Senator from Delaware has said. I have studied the statistics which he placed in the RECORD last week, identifying the number of farms which received ASCS payments totaling \$50,000 and over. And, like him, I find subsidies in this magnitude to be outlandish.

I am in full agreement with the proposition that there should be a limitation on subsidy payments to individual farm operations. However, I have voted against such limitations in the past, and I will vote against the \$10,000-per-farm limitation proposed by the distinguished Senator from Delaware today.

I do so because, although I support the idea of a subsidy limitation, I am not at all satisfied in my own mind as to where and how that cutoff should be applied.

Indeed, if we are to have subsidy limitations, and I believe that we should, I do not think that an arbitrary, across-the-board limitation would be at all practical. There are just too many types of farming operations in our various agricultural regions to be fitted under one arbitrary cutoff figure without causing a great number of inequities.

Thus, we need to devise a formula which would be flexible enough to take into account the various farming operations. I would further suggest that the guiding goal in devising such a formula should be centered around the notion of what constitutes a family farm operation.

The great bulk of all our agricultural programs are based on the fundamental and nationally accepted policy of encouraging the family farm system. Therefore, in a very real sense, our agricultural programs can be considered failures to the extent that they do not serve to protect the family farm system and/or serve to encourage non-family-farm operations.

It is fairly obvious that a farm operation large enough to receive a \$1 million subsidy payment is not a family farm. Payments of this size could, however, be justified if it could be demonstrated that there were certain beneficial side effects to legitimate family farmers. Indeed, many have argued this point in the past. They have said that if large, corporate-type farm operations were not brought into the production control program, thereby qualifying them for the subsidy payments, they would greatly increase their production on the acres which had been freed from control measures. This increased production then would tend to force a general decline in farm prices thus creating new economic difficulties for the family farmer who would be participating in the control program.

This argument may have a certain validity, but I must confess I am finding it increasingly difficult to accept. I doubt that over the long run there would be any significant increase in production.

Thus the principle of a family farm cutoff certainly makes sense to me. But again from my study of the matter, I do not think we have the data and adequate farm classifications to reach agreement on this point at this time.

But one thing is clear: Something must be done. We must not simply continue to push this very legitimate issue aside.

Therefore, I very much hope that the appropriate committees of Congress, and the Department of Agriculture, as well, will undertake serious studies as soon as possible, aimed at coming up with some meaningful family subsidy cutoff formula.

Such studies would be timely. With the expiration next year of the Agriculture Act of 1965, farm commodity programs are already under intensive review and study, and this will continue into 1969.

Therefore, a new and thorough study of this pressing question would not only seem to be appropriate at this time but also absolutely necessary.

Mr. HOLLAND. Mr. President, all my time on the amendment has been used.

The PRESIDING OFFICER. All time on the amendment has been used. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from New Hampshire [Mr. MCINTYRE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNU-

son], the Senator from Minnesota [Mr. McCARTHY], the Senator from Wyoming [Mr. McGEE], the Senator from South Dakota [Mr. McGOVERN], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTOLY], the Senator from Oregon [Mr. MORSE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Connecticut [Mr. DODD] are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], and the Senator from Oklahoma [Mr. HARRIS], would each vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from South Carolina [Mr. HOLLINGS]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from South Carolina would vote "nay."

Mr. DIRKSEN. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Massachusetts [Mr. BROOKE], the Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. MORTON], the Senator from Arizona [Mr. FANNIN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], and the Senators from California [Mr. KUCHEL and Mr. MURPHY] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], the Senator from Arizona [Mr. FANNIN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], and the Senators from California [Mr. KUCHEL and Mr. MURPHY] would each vote "nay."

The result was announced—yeas 19, nays 45, as follows:

[No. 169 Leg.]

YEAS—19

Bayh	Griffin	Proxmire
Boggs	Gruening	Ribicoff
Byrd, W. Va.	Hartke	Scott
Case	Hatfield	Tydings
Clark	Javits	Williams, Del.
Cotton	Nelson	
Gore	Pell	

NAYS—45

Allott	Hart	Pastore
Baker	Hickenlooper	Pearson
Bartlett	Hill	Percy
Bennett	Holland	Randolph
Bible	Jackson	Smith
Burdick	Jordan, N.C.	Sparkman
Byrd, Va.	Jordan, Idaho	Spong
Cannon	Mansfield	Stennis
Cooper	McClellan	Symington
Curtis	Metcalf	Thurmond
Dirksen	Miller	Tower
Dominick	Monroney	Williams, N.J.
Ellender	Moss	Yarborough
Fulbright	Mundt	Young, N. Dak.
Hansen	Muskie	Young, Ohio

NOT VOTING—36

Aiken	Eastland	Hruska
Anderson	Ervin	Inouye
Brewster	Fannin	Kennedy, Mass.
Brooke	Fong	Kennedy, N.Y.
Carlson	Harris	Kuchel
Church	Hayden	Lausche
Dodd	Hollings	Long, Mo.

Long, La.
Magnuson
McCarthy
McGee
McGovern

McIntyre
Mondale
Montoya
Morse
Morton

Murphy
Prouty
Russell
Smathers
Talmadge

So the amendment (No. 834) of Mr. WILLIAMS of Delaware was rejected.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. YOUNG of North Dakota. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 24, line 1, strike out "\$195,500,000" and in lieu thereof insert "\$100,000,000".

Mr. WILLIAMS of Delaware. Mr. President, this amendment is one which those Senators who argued against the other measure should support.

Under the existing law we are paying about \$3 billion a year to farmers not to produce crops.

The amendment just rejected would have limited those payments to \$10,000 per farmer. There would still have left over \$2.4 billion that would be paid out not to produce crops. That amendment was defeated.

We now have a situation where we will be paying out about \$3 billion a year to American farmers not to produce.

Under this section of the bill the Bureau of the Budget asked for \$100 million to pay the farmers to help improve the fertility of the soil in order that they could produce more crops. The committee has added \$95,500,000 above what the Bureau of the Budget asked for. This is for commitments on the 1969 crop year. It does not affect 1968 in any way, shape, or form. These provisions are for all future commitments for the farming year, the calendar year 1969. All this amendment proposes to do is to roll it back to the budget figure.

Why should we add an extra \$100 million to pay farmers to increase the fertility of the soil in order that they can increase their production on the one hand and then pay \$3 billion a year not to cultivate the farms after they have increased the fertility?

This is just a round robin.

The pending amendment should by all means be accepted, especially in view of the fact that the other amendment was rejected. The amendment would merely go back to the budget figure.

Much has been said about cutting expenses. We plan to cut next year's budget authority by \$10 billion. We also propose to decrease expenditures during the fiscal year 1969 by \$6 million.

On the other hand if we reject the pending amendment, we are proposing here, to increase the budget by \$95.5 million, or nearly double what the Budget Bureau asked for.

I hope that the amendment will be agreed to.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, the pending amendment does have some merit. However, with respect to the amendment that was just rejected, I think the record shows—and I refer this question to the manager of the bill—that had we placed a ceiling of \$10,000 on the payments, we would have been actually impairing existing contracts, up to about \$350 million.

Mr. HOLLAND. Mr. President, a large part of the \$350 million, I will say to my distinguished friend, would be in payments above \$10,000. The \$350 million is shown by the report as being needed to liquidate contracts entered into during this fiscal year and payable in fiscal year 1969.

Mr. DIRKSEN. They are existing contracts.

Mr. HOLLAND. They are existing contracts, existing commitments of our Government.

Mr. DIRKSEN. And to place a ceiling on those would have been an impairment of contracts by legislative fiat.

Mr. HOLLAND. There is no question about it at all.

Mr. DIRKSEN. With respect to the amendment that my distinguished friend, the Senator from Delaware offers now, I think there is merit to it. Of course one can argue on the other side. We have to continue to conserve our greatest resource, our soil. But on the other hand, we are up against fiscal problems.

Frankly, I am willing to support the amendment.

Mr. WILLIAMS of Delaware. Mr. President, I appreciate the comments of the Senator from Illinois.

I understand the question in the minds of many Senators concerning the previous amendment. And without debating that subject further at this time, I state that I shall appear before the Committee on Agriculture and Forestry and urge that this provision be a part of the bill to be reported by that committee later.

Under the pending amendment none of the other arguments advanced against the preceding amendment would stand.

I do not understand how we can justify doubling the appropriation to increase the fertility of the soil while at the same time we pay \$3 billion a year not to cultivate it.

I realize this will not all be used to increase the fertility. However, a lot of it would go for that purpose. Certainly this is not the time to double the amount requested by the Bureau of the Budget.

At some point, somewhere, not only will we have to hold the line but also we will have to roll back even beyond the budget figures.

Mr. HOLLAND. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I admit it is very clear that this would relate to a future operation. It does not contain some of the points that were very applicable to the amendment that was just rejected. However, that does not make the amount any more acceptable to me or to the committee.

In the first place, in our hearings we wanted to find out what the department thought about the program. They show, on pages 341 and following, that they regard it as one of the most necessitous programs for the enrichment of the soil and for the conservation of our natural resources that we have.

I asked why they were asking for more than \$100 million. They were reluctant to reply. Finally, in an effort to bring out what they had asked for, I asked Mr. Godfrey, and it appears at the bottom of page 341:

Senator HOLLAND. What was your request?

Mr. GODFREY. \$220 million.

Senator HOLLAND. What did the Department request?

Mr. GODFREY. \$200 million.

So, this is just another year when we have received, as we have been receiving for 8 or 10 years, a recommendation from the Budget Bureau to cut the heart out of this large program.

This is a matching program under which the farmer, if he wants to increase the fertility of his soil, has to match the Federal contribution. It is also a program under which, due to amendments which we placed in the bill, the amount that can be paid to any one farmer is limited to \$2,500. So that this is not an extravagant program.

Mr. President, every year since I have been a member of this committee, the Budget Bureau has tried to cut this program to \$100 million, and every year Congress has refused and put it back to \$220 million. This year again our colleagues in the other body put back in the bill \$220 million. The Senate went a good deal further into the matter. We found that under the resolution we had passed last year, this program was reduced to \$195 million, and we found on inquiry of the agricultural groups that they accepted that in good faith. They would rather have had \$220 million, but they realized they had to make some contribution to the saving. They all got along pretty well with the \$195.5 million that was approved after our resolution of last December.

So, this year, rather than the full amount of \$220 million, which the House had put in the bill, we reduced it to \$195.5 million, believing that what the farmers had accepted as their contribution, or part of their contribution, to the fiscal stringency in which we exist, for this year, would be acceptable to them again.

Now, we have received some complaints. They would rather have \$220 million. That is understandable. Even though they have to match it, they would rather have the \$220 million.

There are literally hundreds of thousands of farmers who customarily cooperate with the Government in enriching and maintaining the fertility of the soil by cooperating under this program. They cannot cooperate for more than \$2,500, as I have already said. This is a widespread program, and we have cut the program to \$195.5 million.

Before I conclude on this point, I wish to point out that this is just a part of the huge cut that we have made in this bill. Senators will find on the first page of

the report the fact that we have recognized the difficulty in these fiscal times, in that we are in this bill \$1.615 billion-plus under the Appropriation Act of 1968, and they will find that we are \$1.387 billion-plus under the budget estimates for this year.

I believe the committee has given most careful consideration to this matter. This is a very important cooperative program which should not be further impaired.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield 2 minutes to the distinguished Senator from Colorado.

Mr. ALLOTT. Mr. President, I believe this is a much misunderstood program. I intend to support the committee and to support the chairman of the committee on this matter. But I believe it is much misunderstood.

I believe the ordinary concept is that the Government goes in and pays for fertilizer and things like this to go on a man's land. Nothing could be less true. It is true that under the act, as I understand it, they can participate in a liming process. I recently received a request to provide certain other things, not fertilizers, but in addition to lime, and the line was tightly drawn there.

What this measure does is to save, in my opinion, one of the most valuable resources this country has—its soil.

Unless people have been out in the great expanses of the West, where this is particularly true, where the soil must be saved from erosion, where you have to have leveling of fields, where you have to have irrigation, it perhaps is difficult to understand how significant this program is to the preservation of soil for the foods that we will need now and in the years to come.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. I yield 5 additional minutes to the Senator from Colorado.

Mr. ALLOTT. If you permit the soil to erode, if you permit the soil to go away once, you cannot come back and level off a field that has a gully 10, 20, or 30 feet deep in the middle of it.

I am sorry to say that, in my opinion, there has been too little emphasis placed in this entire area in the last 8 years. I applaud the efforts of the distinguished chairman of the committee and the entire committee for making this effort. It is not a giveaway, as the chairman has well said. It preserves and helps to preserve on an utterly fair basis, the most valuable resource we have left in this country, and that is our soil, and it has been given too little attention for many years.

Mr. HOLLAND. I thank the distinguished Senator. He has put his finger upon the value of this program.

In my own part of the country, one of the contributions that is made is that, if a farmer has, for instance, produced a crop of peas or a hay crop that could be cut and could be capitalized upon, and if instead the soil needs the mulching effect of that crop he permits it to go back into the soil, and the Government will help him pay the loss that he incurs.

The same is true with reference to every feature. Anything that comes un-

der this program must be matching and cannot exceed \$2,500 so far as the Federal Government is concerned, in any case, to any farmer, big or small. This is one of the most democratic programs and one of the best programs we have.

While I have no fault with the distinguished Senator from Delaware, he is simply echoing an effort that the Budget Bureau has been making for the last 8 or 10 years to cut down this program. This effort by the Budget Bureau has been strongly opposed every year by the Department, and the Department this year testified, as I have already read into the RECORD, that they wanted the \$220 million. But the Budget Bureau, proceeding as it has heretofore, wanted to cut it back to \$100 million. I hope we will not permit them to do so.

Mr. WILLIAMS of Delaware. I yield myself 5 minutes.

Mr. President, I do not question for a moment that some of the bureaucrats could ask for more than is in the bill. But if we are going to start giving them all they ask for, we just cannot print enough money. They ask for twice the amount they expect to receive, and if they are given half of it they still have more than they really need.

The point is that it is not a case of what the Budget Bureau asked for. The Senate has gone on record as suggesting that we cut next year's appropriations by \$10 billion. My question is, where are we going to make these cuts, and when are we going to start?

I agree with the Senator from Florida that they have reduced somewhat under this bill. And what I am going to say next is not in criticism of the Senator from Florida, because he has been one of the strongest advocates of what I am suggesting here. The primary reason why the amount in this bill is lower than the Budget Bureau request is that we are not reimbursing the Commodity Credit Corporation for all the losses it sustains during fiscal 1968 or projected 1969. The law required them to seek restoration, but they did not. We have accumulated unrestored losses in the Commodity Credit Corporation of approximately \$6 billion, which will have to be faced by future administrations.

The reason why this bill indicates a reduction is that we are not paying our bills. The Senator from Florida has been one of the strongest advocates of this paying as we go, so what I am saying certainly is not in criticism of what he is doing here today. Quite the contrary.

Nevertheless, we will have to cut some of these programs. I agree with everything the Senator from Florida has said about the merits of this program. In my opinion, this is as meritorious a program as any under the farm program. It does much good. Merit can be found in any of these programs. But we come back to the question of whether we are going to hold the line or are going to double the amount. In my opinion, this is not the time to double this program, which is what would occur if the committee amendment is agreed to. It would practically double it, and I do not believe we can afford to do it. I believe this is one area in which we can roll back and save \$95 million.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HOLLAND. The Senator does not mean double the program as it has existed, does he?

Mr. WILLIAMS of Delaware. Double the budget request.

Mr. HOLLAND. He means we would nearly double the recommendation of the Bureau of the Budget.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. HOLLAND. But it would continue the program as carried on last year on a requested basis of \$220 million.

Mr. WILLIAMS of Delaware. Yes; but can we afford to double this and continue it on that basis?

As I said before, in order to get these reductions in expenditures we must cut our programs. The Government has been operating at a deficit. Our deficit for the last 5 years is about \$60 billion more than our income. That means we have been running in the red \$1 billion a month. The deficit for fiscal 1968 is about \$20 billion; the deficit for fiscal 1969 is estimated at \$28 billion.

This means that at the moment we are running in the red at the rate of about \$100 million a day, putting the Government on a 5-day week.

At some point, somewhere, we will have to cut programs, and we will have to cut on programs which have merit because all of them have some merit and all of them have some supporters.

I recognize that this is just as meritorious as some other programs I know of, and perhaps more so, but we are going to have to cut somewhere. I think the least we can do is adopt this amendment.

I am willing to yield back the remainder of my time.

Mr. HOLLAND. Mr. President, I yield such time as he may require to the Senator from Louisiana, the chairman of the legislative Committee on Agriculture.

Mr. ELLENDER. Mr. President, I hope the pending amendment will be rejected. I do not know of any other program that has been placed on the statute books in the past that has done more good to protect and preserve our soil than the soil conservation program.

As the distinguished Senator from Colorado said, this program protects and conserves our soil. He hit the nail on the head.

Many think this money is used in part to buy fertilizer to put on the crops. That is not true. It is true that in some instances lime is put on the land to sweeten it and make better crops. I am satisfied that the 109-bushel average in Illinois this year would never have happened except that soil conservation practices were put into effect in that State during the last 20 years. The same thing holds true for every other State.

Mr. President, I hope the amendment is rejected.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield 2 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I do not know that there is much I can add.

I associate myself with the statement the chairman has made. This is an old program.

The Senator from Delaware is saying that we are spending too much money. I think it is true that we are spending too much money, but not on this program. This program is beneficial to the present and to the future.

We are spending money in many areas where I am perfectly willing to join the Senator in making cuts.

However, of all the programs, this program deals with the productivity of our land, and it should be the last program to be prejudiced. I regret that the committee cut the program as much as it did from the House figure. Nevertheless, I realize they know more about it, and it is their duty to exercise judgment. I do not think it should be cut more.

I join the Senator from Delaware in his statement that we need to make certain cuts in Government spending. We have to have a sense of priority, however. All of these items are not equally affected. We know many items get into large budgets that are luxury items and they have no basis except in times of prosperity, and we are not in such times now. I hope the Senate will not cut this item.

ORDER OF BUSINESS

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Arkansas such time as he may require.

Mr. McCLELLAN. Mr. President, I join with the views expressed by my distinguished colleague from Arkansas on the pending issue. I associate myself with his statements.

OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1967

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Policemen's Association of the District of Columbia expressing approval of the action of the Senate in the passage of the Omnibus Crime Control and Safe Streets Act of 1967 a few days ago, and with particular reference to those features that would aid the police in the performance of their duties.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POLICEMEN'S ASSOCIATION OF THE DISTRICT OF COLUMBIA,

Washington, D.C., May 27, 1968.

HON. JOHN L. McCLELLAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR McCLELLAN: At the regular monthly meeting of the Policemen's Association of the District of Columbia held on Tuesday, May 21, 1968, the members went on record in support of the overwhelming vote by the United States Senate in passing the Crime Bill sometimes known as the "Safe Streets" bill.

The view was expressed that this bill will give to the law enforcement officer many of the necessary tools which has been needed for a number of years in their effort to reduce the ever-increasing crime rate.

We sincerely hope that the conferees will abide by the Senate passed version of this bill.

Respectfully yours,
Sgt. CARL W. BEATTY,
President.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD a number of articles and editorials, as follows: An article entitled "Supreme Court Gaveled Down Confessions," by James J. Kilpatrick, published in the Washington Evening Star on May 28, 1968; an editorial entitled "Senate Backs Police Wiretaps," published in the St. Louis Globe-Democrat of May 24, 1968; an article entitled "Byrd Urges Crime Action," by Robert S. Allen and Paul Scott, published in the Chicago American of May 24, 1968; an editorial entitled "Nonenforcement of Law," published in the Mobile Register of May 22, 1968; an editorial entitled "City Streets Must Not Be Jungle," published in the Rochester, N.Y., Times-Union of May 24, 1968; and an editorial entitled "Whitcomb On Crime," published in the Indianapolis Star of May 25, 1968.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, May 28, 1968]

SUPREME COURT GAVELED DOWN ON CONFESSIONS

(By James J. Kilpatrick)

The United States Senate last week dealt the Supreme Court the strongest rebuke that has been officially hurled at the court in more than 30 years. Not since the days of Roosevelt's court-packing proposal has a co-equal branch of government spoken in such unmistakable terms.

Roosevelt's scheme failed of adoption, of course, but it had its effect nonetheless. Chief Justice Hughes got the word. Many Americans, deeply concerned at the trend of Supreme Court decisions over the past ten years, will pray that Chief Justice Warren and his majority bloc prove equally attentive this time around. The Senate has said bluntly that it wants to see a balance restored between the rights of a defendant and the rights of society. The step is long overdue.

Specifically, the Senate approved section 3501 of the Crime Control Act of 1968. The section says that in Federal criminal prosecutions, a confession shall be admissible in evidence "if it is voluntarily given." Trial judges are to review the circumstances in the absence of a jury. If a judge determines that a confession was in fact voluntary, according to conditions laid down in the act, he is to admit the confession and instruct the jury to give it such weight "as the jury feels it deserves under all the circumstances."

Under the Senate bill, the presence or absence of a lawyer would be merely one factor, and not necessarily a conclusive factor, in determining the issue of voluntariness. Manifestly, this provision of the act is intended to override the high court's 5-4 decision in the famed Miranda case two years ago. The court then laid down such sweeping requirements for the advice of counsel that the use of confessions in evidence was rendered almost impossible.

As you might expect, the Senate's refusal has evoked moans of anguish from knee-jerk liberals who bleed for the rights of rapists. The Washington Post, which goes into hysterics whenever Earl Warren sneezes, has been regaling its readers with horror stories of confessions obtained by the third-degree. You would suppose that police routinely

exact confessions by thumbscrews and rubber hoses.

Sure enough, instances of coerced confessions have occurred. Too many of them. But there is not one line in the Senate bill that would condone the abhorrent practice. It is an insult to the whole of the Federal trial bench to imagine that such confessions would be received in the future.

The more applicable horror stories go in precisely the other direction.

Two months after the Miranda decision, a Brooklyn housewife came on trial for the murder of her four-year-old son. She had taped his mouth and beaten him to death with a broomstick. She freely confessed. She had not had a lawyer. She went free. Miranda.

There was the case in New York of Jose Suarez, 22, a laundry worker. He killed his wife and five small children by stabbing them more than 100 times. Police arrested him. He confessed at once. No lawyer. Justice Michael Kern bitterly agreed that "even an animal such as this one, and I believe this is insulting the animal kingdom, must be provided with all the legal safeguards—but it makes my blood run cold to let a thing like this out on the street." Suarez walked out of court, a free man. Miranda.

Dozens of such fantastic miscarriages of justice have occurred by reason of the Supreme Court's excessive solicitude. As North Carolina's Sen. Sam Ervin has noted, the number of confessions in criminal cases has fallen drastically. The state's attorney of Baltimore remarks that "the confession as a law enforcement instrument has been virtually eliminated." If the House accepts the Senate bill, the trend may be reversed. It will all depend on whether Chief Justice Warren gets the word.

[From the St. Louis (Mo.) Globe-Democrat, May 24, 1968]

SENATE BACKS POLICE WIRETAPS

Crime fighters won another significant victory in the United States Senate Wednesday, for the second consecutive day, as Senators resoundingly defeated an attempt by Sen. Edward V. Long of Missouri to amend the wiretap and electronic eavesdropping section from the bill.

Senator Long first tried to delete from the bill a provision that would permit a judge authorizing a wiretap to postpone, on showing of good cause, a requirement that persons under surveillance be so notified within 90 days. His proposition lost 51 to 21.

Then the Missouri Senator sought to eliminate a section that would permit judges to authorize wiretaps or eavesdropping where there was a belief a crime was about to be committed. He contended that this authority should be granted only when it was believed that a crime already had been committed.

The Senator lost on this by a vote of 60 to 18.

Attorney General Ramsey Clark also was dealt a blow by these Senate actions. He has been a strong opponent of wiretapping and eavesdropping except in national security cases.

When the Senate had completed its work yesterday the crime control bill still authorized court-supervised wiretapping and electronic eavesdropping both by federal and state law enforcement officers.

These provisions, added to Tuesday's Senate reversal of the Miranda, Mallory and Wade decisions of the Supreme Court made the crime control bill the best to come through the Senate in years.

But these Supreme Court-curbing measures face a stiff fight in the Senate-House conference. House Judiciary Committee Chairman Emanuel Celler has claimed he would never accept these provisions, contending they take away power from the Supreme Court.

If the heavy support in the Senate for the bill is a barometer, Mr. Celler probably will have no choice but to accept the Senate version.

[From the Chicago (Ill.) American, May 24, 1968]

BYRD URGES CRIME ACTION

(By Robert S. Allen and Paul Scott)

WASHINGTON.—Fear and terror are stalking the capital. That is the grim pronouncement of the chairman of the Senate appropriations subcommittee in charge of the District of Columbia's annual budget of more than 500 million dollars. With characteristic bluntness, Sen. Robert Byrd [D., W. Va.] told his colleagues:

"One fools only himself if he attempts to believe that this city is not gripped in fear. It is time to quit temporizing with criminals. We need action, not words, from Mayor Washington and from the White House to prove that the reign of terror will be brought to a halt by whatever means are necessary."

For several weeks, Sen. Byrd has been vigorously urging that troops be returned to Washington to avert a repetition of the destructive violence that followed the murder of Dr. Martin Luther King. Byrd has argued troops are necessary because of the massing of the so-called "poor people's march."

FIRES, MURDER, ROBBERIES

He cited the virtually daily incendiary fires now running into the hundreds, the repeated slaying of business men, numerous rapes, and the scores of robberies of bus drivers, culminating with the slaying of one by a gang of Negro juveniles.

"I heard the President at the White House several months ago," declares Byrd, "speaking with reference to crime in this city, address himself to those who are responsible for enforcing the law. He told them in effect that if they did not get busy and reverse this trend, the fur would fly. I have not yet seen any fur fly, and I have not seen the crime trend reversed in Washington."

Making no bones that he deems the so-called "poor people's" encampment as a potential danger, Byrd stated, "I would not advise any [students] to come here while this 'campaign' is in progress, or while crime continues at the pace it does now."

"Look at the galleries today. Often they are only half or one-third full. There are no people standing in line, and the reason is obvious. People are fearful of coming to Washington."

BLAMES SUPREME COURT

The courts, and particularly the Supreme court, were singled out by Byrd as "greatly responsible for the spiraling crime rate." He held that while there is endless talk and reports about crime and criminals, "no word is ever said about how the federal courts are greatly responsible for the spiraling crime rate."

"If we really want to strike at the roots of crime in our country," declared Byrd, "we should start with the Supreme court. In making appointments to that court, they should be men who will not temporize with criminals. Yes, accord the criminal his constitutional rights; but let us not forget about the rights of innocent victims."

"Let us point the finger where we should. I say to the President of the United States, whoever he is or may be, 'Look at your Supreme court. Look at your appointees. If you really want to do something about crime, start there.'"

It is known that Sen. Byrd is making a thorough study of the handling of crime and other critical problems in Washington, and will report his findings in detail to the full Senate. No member of that chamber is more informed on Washington affairs than he is, nor more forthright in expressing his views and advocating forceful remedial measures.

[From the Mobile (Ala.) Register, May 22, 1968]

NONENFORCEMENT OF LAW

Sen. John L. McClellan of Arkansas read the riot act against lawlessness more alertly and more impressively than many of his colleagues in Congress.

He is also more alert and impressive than many in pointing to the serious mistake that is made by letting crime go unpunished or not sufficiently punished.

Crime is seldom curbed by turning criminals loose without penalty or without adequate penalty.

Yet many criminals escape what they have coming to them. Senator McClellan discusses this unfortunate state of affairs in terms that should hold interest for lawabiding citizens generally:

"According to the statistics, many crimes are not reported. How much, no one knows. Estimates are that from two to three times as many serious crimes are committed in this country as are reported.

"But of the serious crimes reported, seven of eight of (the) law violators who commit those crimes are not punished for their unlawful deeds.

"That is not law enforcement. I believe that if we had the true figures, taking into account the number of crimes that are not reported, the figure would not be seven of eight. The figures probably would reveal that only one out of 15 criminals is punished for the crime he commits.

"We cannot have law and order in this country with that kind of law enforcement."

Senator McClellan warned forthrightly that the nation is headed for disaster if it continues to travel the route of non-enforcement of the law:

"We all suffer from lack of law enforcement. . . . No one profits from it except the criminal; no one except the criminal is profiting from crime today; and regrettably and tragically, too many criminals today are profiting from crime. . . . They are getting by with it because of the lack of law enforcement.

"I say it cannot go on. We are moving, moving rapidly, toward anarchy in America. Some say it cannot happen here."

Statements such as this by Senator McClellan should shake some of the apathy out of any American who remains apathetic about what lawlessness is doing to law and order.

And statements such as Senator McClellan's should speed-up public decision to clean house of office-holding politicians who have been too preoccupied in playing socialistic, welfare-state, "civil rights" politics to make their voices satisfactorily active in behalf of better protection for the lawabiding through law enforcement.

Senator McClellan is one of the best in business in Congress, or anywhere else in America, in throwing heavy punches at crime and at the appalling deficiency in law enforcement in the United States.

Two prime factors in the lack of law enforcement are nonsensical decisions of the courts, starting with the U.S. Supreme Court, and an oversupply of public-be-damned politics.

[From the Rochester (N.Y.) Times-Union, May 24, 1968]

CITY STREETS MUST NOT BE JUNGLE

News of continuing police determination to remove as many muggers and hoodlums from Rochester's streets as possible is heartening.

The tough roving Tactical Unit is working each night from 7 p.m. to 4 a.m. when the crime menace is greatest. And the other day, the unit put in some daytime hours clearing gangs of troublemakers from down-

Court's interpretation of the Constitution is certainly misconstrued as it not only allows criminals to escape punishment; it allows them to remain a threat to free society."

111. From a Rhode Island Chief of Police: "I am in complete favor with the provisions of S. 674 (title II, S. 917)."

"In their zeal to protect a defendant's constitutional guarantees in accordance with their measure of these rules, justices, particularly in the lowest municipal courts, are handing down decisions that are virtually crippling the traditional investigative procedures of the police."

112. From a Massachusetts chief of police: "I whole-heartedly endorse your legislative bill S. 674 (title II, S. 917) . . .

"Since the *Ohio v. Mapp*, *Escobedo v. Illinois* and *Arizona v. Miranda* decisions, this Department has lost some of its cases in Court due to these decisions."

113. From a Massachusetts chief of police: "We are all very disturbed about the many recent one-man decisions made by the Supreme Court of this country."

114. From a Massachusetts police chief: "With respect to recent United States Supreme Court decisions which are adversely affecting the ability of local law enforcement agencies to fulfill their responsibilities, it is my judgment that in this total protection and insurance of a defendant's "rights" as required by these decisions, we are forgetting and neglecting the rights of an innocent victim, and his constitutional rights also as a citizen."

115. From a Massachusetts police chief: "It is gratifying to know that someone knows about the problems of Law Enforcement Agencies and is doing something about it. You are to be congratulated for your stand in reference to the recent U.S. Supreme Court one-man majority decisions."

"I do find from my own personal experience, as a law enforcement officer, that many cases have been lost in court as the result of these decisions and that some cases did not even reach the court because the police were unable to interrogate the suspect."

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

Mr. HOLLAND. Mr. President, are there further requests for time?

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. HOLLAND. I am delighted to yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I wish to ask a few questions.

It is my understanding that the amount that was included by the Committee on Appropriations is designed primarily for soil conservation purposes. Is that correct?

Mr. HOLLAND. The Senator is correct; in pursuance of the ACP program. There is a reduction from \$220 million, which has been the amount for 10 or 20 years, to \$195 million, which was the amount left this year after the reduction under Public Law 90-218. Adopted last fall and it was generally acceptable.

Some would like to have the \$220 million but we were looking for places to cut and this was one place.

Mr. DOMINICK. I congratulate the Senator from Florida. I think this is one

of the most essential programs we have. Unless we keep up the soil conservation practice in this country we could find ourselves in bad shape agriculturally, such as other countries have found themselves in.

This, of course, is one of our strong points in our ability to produce, not only domestically, but overseas. So I congratulate the Senator from Florida. I am happy to support him.

Mr. HOLLAND. I thank the distinguished Senator from Colorado.

Mr. President, unless I have further requests for time, I shall be glad to yield back such time as I have remaining.

Mr. CURTIS. Mr. President, I should like to be yielded some time.

Mr. HOLLAND. I will gladly yield time to the Senator from Nebraska.

Mr. CURTIS. I may not be on the Senator's side.

Mr. HOLLAND. That is all right. I am glad to have Senators express their views.

Mr. CURTIS. I am a strong supporter of soil conservation. But I think the erosion of the dollar is worse than the erosion of the soil.

As I understand this particular item, it does not, in the main, go to the personnel. Perhaps a little of it does. But there is another item in the bill which does not affect soil conservation districts per se, nor small watersheds.

Mr. HOLLAND. If the Senator will yield, this provision applies, in the main, to the individual farmer. It would meet the limitation of \$2,500. Payments may not exceed \$2,500 to any one farmer.

Mr. CURTIS. Yes. The reason I should like very much to stay with the committee is that I have voted for cuts in expenditures. But I have got to vote for some things that affect my area, things in which I am very much interested. Any cut we make, anywhere, will be hard and disappointing.

The landowner can avail himself of a provision of the Internal Revenue Code, that I sponsored, which permits him to spend his own money for soil conservation and treat it as a business deduction.

One of my reasons for proposing that provision, at the time it became law—and I worked on it for a number of years—was that it was not only right, just, and in line with the taxing of business, but that it would also get away from paying the farmer to improve his own property.

I find myself very much in sympathy with everything that has been said in favor of the committee position. But I come back to the point that these expenditures are fixed and are long range. In the last dozen years, a hundred new programs have been started, costing \$350 million in the first year.

In the 1969 budget, it will be over \$15 billion. The budget submitted to us for 1969 is not an austerity program. It calls for eight or 10 new programs which will grow and grow and grow. On the long-range commitments we have to keep faith with them. We cannot refuse to pay the national debt. We have got to win the war. We cannot default on veterans' pensions. There are so few places we can cut because of the long-range effect of what we would do.

Again, I say, I do not want a word that I have said to be termed critical of the committee or anyone who has spoken on behalf of it. I am almost persuaded to be with it but in the last few months, I am a little bit more concerned about the erosion of the dollar than I am concerned over additional soil erosion which may come about if, for a while, we reduce the amount of payments direct to the farmers for saving their own land.

I say this as a representative of one of the most conservation-minded States in the Union.

I do not like to do it, but I shall support the amendment.

Mr. HOLLAND. Since the Senator from Nebraska was not on the floor when it was discussed, I want him to know that the committee has reduced—

Mr. CURTIS. I was here.

Mr. HOLLAND (continuing). The total of the budget by \$1,387 million and that while, as the Senator from Delaware has properly said, perhaps part of that is failure to reimburse the Commodity Credit Corporation, but there is between \$300 and \$400 million of that is an actual cash reduction, so that if other bills are reduced in proportion, we will be able to reach what we are talking about. Of course this is not one of the larger bills. I want the Senator to know, as I indicated a while ago—

Mr. CURTIS. I understand.

Mr. HOLLAND (continuing). That I want him to do what his conscience dictates. Here is a cost-sharing program under which the farmer does not call upon the Federal Government to put Federal money into his land without his cooperation. He has to match it—

Mr. CURTIS. I understand.

Mr. HOLLAND (continuing). And only for approved practices that very clearly preserve and enrich the fertility of the soil.

Mr. CURTIS. And the value.

Mr. HOLLAND. In my judgment, the committee has gone about as far as it can go in reducing the program from the \$220 million level, at which it has been every year since the Senator has been a Member of the Senate—and we reduce it to \$195.5 million. I think that is coming to grips with the problem. Again I say, I want the Senator to vote as his conscience dictates.

Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Delaware. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from New Hampshire [Mr. MCINTYRE], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER],

the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. McGEE], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTOYA], the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], and the Senator from Oklahoma [Mr. HARRIS] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from South Carolina [Mr. HOLLINGS]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from South Carolina would vote "nay."

Mr. DIRKSEN. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Massachusetts [Mr. BROOKE], the Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. MORTON], the Senator from Arizona [Mr. FANNIN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA] and the Senators from California [Mr. KUCHEL and Mr. MURPHY] are necessarily absent.

The Senator from Utah [Mr. BENNETT] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Massachusetts [Mr. BROOKE], the Senator from Arizona [Mr. FANNIN], the Senator from Nebraska [Mr. HRUSKA] and the Senators from California [Mr. KUCHEL and Mr. MURPHY] would each vote "nay."

The result was announced—yeas 16, nays 47, as follows:

[No. 170 Leg.]

YEAS—16

Baker	Griffin	Pell
Boggs	Hansen	Percy
Case	Hartke	Proxmire
Cotton	Hickenlooper	Williams, Del.
Curtis	Javits	
Dirksen	Pastore	

NAYS—47

Allott	Hatfield	Randolph
Bartlett	Hill	Ribicoff
Bayh	Holland	Russell
Bible	Jackson	Scott
Burdick	Jordan, N.C.	Smith
Byrd, Va.	Jordan, Idaho	Sparkman
Byrd, W. Va.	Mansfield	Spong
Cannon	McClellan	Stennis
Clark	Metcalf	Symington
Cooper	Miller	Thurmond
Dominick	Monroney	Tower
Ellender	Moss	Williams, N.J.
Fulbright	Mundt	Yarborough
Gore	Muskie	Young, N. Dak.
Gruening	Nelson	Young, Ohio
Hart	Pearson	

NOT VOTING—37

Aiken	Hayden	McGovern
Anderson	Hollings	McIntyre
Bennett	Hruska	Mondale
Brewster	Inouye	Montoya
Brooke	Kennedy, Mass.	Morse
Carlson	Kennedy, N.Y.	Morton
Church	Kuchel	Murphy
Dodd	Lausche	Prouty
Eastland	Long, Mo.	Smathers
Ervin	Long, La.	Talmadge
Fannin	Magnuson	Tydings
Fong	McCarthy	
Harris	McGee	

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JORDAN of North Carolina. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I want to address an inquiry to the chairman of the subcommittee.

Mr. HOLLAND. Mr. President, I yield the remaining 2 minutes I have to myself.

Mr. STENNIS. I call attention to the item "Flood Prevention," which is covered in the report on page 12, and point out that the House figure is greater than the budget recommendation, but the Senate figure is \$2.5 million under the House increase.

I want to point out that this is a highly important item. The so-called watershed projects have been very successful. I know they apply in California and Mississippi, and I think they apply in the State of Georgia, as well as others.

I am not going to offer an amendment, but I know the chairman thinks this is an important item. My request is that, as to the difference between the Senate figure and the House figure, the chairman will consider this matter in conference in the light of what may develop there, as well as any other meritorious information that may be submitted. I know he is in sympathy with the projects.

Mr. HOLLAND. Mr. President, in reply, I certainly am in sympathy with the watershed projects. The budget figure was \$12.395 million. The House applied \$20 million. Our committee recommended \$17.5 million, this being more than \$5 million over the budget amount, one of the few items where we have gone over that. We did not do this until we discovered that there was a \$6 million carryover. We think that the program is well cared for, but I will be glad to con-

sider any matter in conference that the Senator is concerned with and will do what I can to bring about what I think is a sound result.

I am sure that other members of the conference committee will take the same position.

Mr. STENNIS. I thank the chairman, I know he is not adamant on this matter, but will have an open mind on any facts in connection with it.

Mr. JAVITS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19, it is proposed to strike out everything beginning on line 16 through line 4 on page 20.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

The provision sought to be stricken is the provision which relates to the use of section 32 funds, or at least the restriction on their use which is contained in the appropriation bill. The language sought to be stricken reads as follows:

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

The reason why I have moved to strike this language is the present very strong controversy going on between the Secretary of Agriculture and many of us, who are deeply concerned with the problem of starvation, or malnutrition equivalent to starvation, in the United States.

It will be remembered that the record of the Senate on this issue is very good. The Senate took up the bill of the Senator from Mississippi [Mr. STENNIS] passed it, and has done its utmost to bring about action by the House of Representatives on the bill, without success. That is a distressing thing to say; nevertheless it is true.

Then along comes a film produced by the Columbia Broadcasting System, purporting to show in a most heart-rending fashion, the situation of starving people in our own country, including children and babies. Indeed, I am informed by many Senators, and it has been said publicly, including statements made at a hearing as recently as this morning, that they have never received an amount of mail on any issue equal to the mail they are receiving on the question of starvation in the United States.

When the Secretary of Agriculture is pressed upon this matter—and he has gotten into quite a controversy with CBS and others who have made strong statements about the subject—this is what he

says. I now read from his testimony given before the Committee on Education and Labor in the House of Representatives just a very few days ago, on May 22, 1968. Chairman PERKINS asked him:

What amendments would you suggest, Mr. Secretary?

That is in trying to find some way of introducing the ability of the Secretary to deal with this subject in a flexible and selective way.

The Secretary said, as recorded at page 210 of the hearings:

The one that seems to be at issue here, and was all morning more than any other point was the authority of the Secretary of Agriculture on section 32. I would welcome, as I said this morning, action by the Congress that would say that those funds can be used for any food programs at the discretion of the Secretary, to wit: the school lunch and the food stamp programs in addition to the direction programs, regardless of whether it involves surplus commodities or not.

What the Secretary, in effect, is saying, is that he is inhibited in his freedom of action in dealing selectively with conditions of starvation in the United States by this particular provision in the appropriations act, a provision, incidentally, which we have carried in appropriations acts before. I am a member of the Appropriations Committee, and I have never objected, because it never seemed to me that there was any real import to this provision, as I read the law, or at least that it was a doubtful question. But the Secretary makes this the one set piece that he says makes it absolutely impossible for him, because we have said so, to do the things that need to be done about hunger. I do not agree that the language so inhibits him, but will assume for purposes of discussion that it does. I would note that \$227 million, according to my information, in these section 32 funds will be returned to the Treasury this year.

By way of explanation, we all know that section 32 funds are made up of 30 percent of the U.S. customs levies, and may be used for a wide variety of purposes, including feeding the poor. Incidentally, we have provided in this bill, in the special milk program and the school lunch program, authority to use section 32 funds. This is not at all unusual.

Another aspect of the matter, Mr. President, that is important, is that we have written, as a matter of law, into the Food Stamp Act a prohibition against utilizing any of these permanently appropriated section 32 funds. We have limited the food stamp program specifically to the amounts we have appropriated. That is contained in Public Law 90-91. It will be noted that the food stamp program is appropriated for the pending appropriation bill. My amendment would not change that.

The Secretary would not be able to use this money for food stamps, unless we changed the substantive law, which obviously we cannot do on an appropriation bill. But what he would be free to do would be to use it for commodities or cash transfers to all his other food assistance programs. He could use it to provide additional funds for school lunches,

for example. The evidence indicates that a good many poor children cannot afford to pay whatever they have to pay to get these lunches. A woman testified this morning that she had seven children in school, and they had to pay 30 cents a day, which would be \$2.10 a day; and she just could not pay it.

Therefore, we should seek to alleviate the situation now, until we may later reconsider our position on the food stamp program, by using section 32 funds to expand other programs, to wit, the direct distribution program, school lunches, the OEO emergency food programs, and other existing efforts or any new programs he might create. He could use these funds either to buy commodities for use in these programs, or he could transfer section 32 funds directly. The Secretary seeks to have Congress free his hands with respect to his construction of the law. I do not necessarily agree with it, but that is his construction of the law. That is one reason why we have had these terrible rows with the Secretary. We have asked, "Why cannot the bureaucracy somehow or other free itself so as to deal with the situation of starvation, or of such serious malnutrition as to amount to starvation?" His answer is, "My hands are tied by what Congress has written into appropriation bills"—I am trying to untie his hands with respect to this matter and accept his interpretation of the law, a law which apparently he feels is absolutely binding.

That is the issue, Mr. President. If we do untie his hands, it does not mean that he will spend all the \$200 million, but it does mean that he will no longer have a reason—call it an excuse if you will; that is what it may be—for not applying it in a massive way to situations which seem to be causing so much pain and anguish to the country, which constitute a big factor in the agitation in Washington now, by the so-called Poor People's March, and which are producing such a violent reaction in terms of mail being sent to all Members of Congress.

As to the way in which the poor are dealt with in terms of food, it is well known, that the food stamp programs are local option programs in many counties. The Secretary cannot institute them over local objections.

There has also been, of course, a tremendous complaint that, in the case of commodity distribution, there is a very sharp limitation as to the kind of commodities which people get. That is very restrictive and harmful to any kind of a sound dietary practice.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional 5 minutes.

Mr. JAVITS. Mr. President, in the case of food stamps, we have the problem that some people do not even have the minimal amount of money that is required to pay for food stamps. It might be as low as 50 cents. Still, they do not have even that much.

This is not an easy issue. We have the findings of the Citizens Committee on Hunger, which claims that roughly 300

counties in the hunger category, out of the poorest 1,000, have no program. We have the counter argument of the Secretary that if they do not have it now, they will have it by July 1.

It seemed to me that the only way in which I could see that we could try today to touch the focal point of the issue was by at least freeing the hands of the Secretary in respect of this pool of section 32 funds, so that he could at least deal with the direct situation of starvation and malnutrition where it exists until we could actually unravel this ball of wool in order to see what ought to be done and what ought not to be done in terms of substantive legislation.

I point out as the author of the amendment, and by way of legislative history, that we would expect it to be used only by the Secretary in cases of serious hunger or in cases of malnutrition such as to represent a serious peril to health.

I do not wish the manager of the bill to have any idea that this is some open ended authorization to the Secretary of Agriculture. And I am not even trying to argue the big issues which are involved in the food stamp plan, et cetera. But I am confining myself to a situation that is appalling to us, no matter what are ideological views—the fact that a Secretary of Agriculture in the United States, with a tremendous pool of funds available, claims that he cannot move into a situation as desperate as hunger and malnutrition equivalent to hunger. Therefore, I have made my effort in the best way I can define it—artistic or inartistic as it may be, and without necessarily agreeing with him on the law—to strike those shackles from his hands.

This thing has been going on for months. We had a terrific row with the Secretary of Agriculture. He got very angry at me, as some Senators may have seen on television, months ago.

Yet, in the intervening time, not enough progress has been made. The situation continues. He makes the same point that he made before when he got so angry at me—the fact that he cannot see his way under the law as being able to do what needs to be done, but which he says he cannot do, because his hands are tied by this provision.

I am a member of the committee. I could have brought this matter up on Monday. However, unfortunately I could not be present on Monday.

In the meantime the arguments against it have burgeoned and boiled up in the last few days. The Secretary of Agriculture has been very put out at the broadcasting companies, and he had a press interview which has been placed on the front page of the newspapers. It is this situation that I am trying to contend with in the amendment.

I hope the manager of the bill will accept it as a good faith explanation. I was unable to be here on Monday to explain this to the committee.

Mr. HOLLAND. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 minute.

Mr. HOLLAND. Mr. President, I will yield first to the Senator from North

Dakota [Mr. Young], and next to the Senator from Georgia [Mr. Russell].

The Senator from Georgia was chairman and the Senator from North Dakota was ranking minority member of the subcommittee back in the years when the provision in the bill was first put into effect, some 10 or 12 years ago. It has been carried every year since. It has been a salutary measure.

I want the Senate to have the background from these two great Senators.

I yield first to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I think it would be a serious mistake to use section 32 funds for any other purpose than that for which they are now being used. I refer to their use to help the producers of perishable commodities and the hungry people of the United States. I see no need to use these funds to increase the USDA payroll.

I do not know of any State that cannot afford to hire welfare directors. My own State does this. Every county in my State has a welfare director. Fiftieths of the sales taxes collected are dedicated to welfare purposes. I assume every other State tries to take care of the poor people as we do.

I did not see that great film that the Senator talks about, but I did read the book, "Hunger, USA," on which it was based. And I never read a book as inaccurate as that book. For example, in my State the book lists eight counties as starvation counties.

I checked with welfare directors there. They said that there was no truth to it. Any hungry person can get food if he wants it.

I do not know of a county in the United States that cannot get surplus food or food stamps if they need them.

I will give some figures as to what is contained in the bill and what we are doing with section 32 funds under the Department of Agriculture appropriations to help poor people and school children.

In the bill there is contained \$225 million for the food stamp program. For the school lunch program, there is \$237,674,000. For the special milk program, there is \$104 million. For the food distribution, there is an estimated amount of \$168 million. The total amount is \$734,674,000 as against \$666,725,000 last year.

I do not know of a county in the United States, if they are able to present a case on behalf of their poor people and if the poor people are really in need of food, that cannot get it under the present system.

There never was a time when the Federal Government did more to help poor people than now.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the tabulation to which I referred.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

	Fiscal year 1968	Fiscal year 1969
Food stamp.....	\$185,000,000	\$225,000,000
School lunch.....	227,825,000	237,674,000
Special milk.....	104,000,000	104,000,000
Food distribution.....	149,900,000	168,000,000
Total.....	666,725,000	734,674,000

¹ Estimate.

Mr. HOLLAND. Mr. President, I yield now such time as he may need to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. RUSSELL. Mr. President, I stumbled into this matter when I came on the floor a few minutes ago and my recollection is not as complete and clear as I would like for it to be. I do, however, recall very well the insertion of the item in the bill some 10 or 12 years ago.

The item was placed in the bill because the committee wished to retain some semblance of congressional surveillance and control over spending in the executive branch.

Section 32 is a very loosely drawn section of the bill. In passing may I say that a great deal of the money is now being spent for the benefit of poor people in the purchase of surplus commodities for distribution to the school lunch program and to food programs in various counties of the States.

The item was inserted in the bill because the Department was proposing to use a substantial sum of the section 32 funds for the administrative expenses of other agencies of the Department of Agriculture.

As I recall, it was the old Agricultural Marketing Service for which they wished to use the funds. Some of it was for the employment of personnel and for traveling expenses and per diem payments to a number of experts.

Mr. President, the item was put into the bill so the Senate committee as an agency of the Senate, and the House committee as an agency of the House of Representatives, might have surveillance of these funds. A great deal of money is involved. As I recall, some \$700 million is allocated to this fund each year.

They do not always use all of it. Some of it goes back to the Treasury, and the idea of any money reverting to the Treasury is, of course, very painful to some people.

This provision should not be stricken without having some hearings as to the reasons for this action and the effect it will have on the overall program of the Department of Agriculture.

There is too much at issue here to strike this limitation on such a sketchy testimony as was afforded by the statement of the Senator from New York. With all deference to him, he does not go into nor consider its possible impact upon other programs of the Department of Agriculture.

These section 32 funds should not be used for administrative expenses throughout the department, and if this

provision is stricken from the bill, they can and will be used for this purpose.

I believe this matter should be the subject of committee hearings, before any such drastic action as proposed by the Senator from New York is taken.

Mr. JAVITS. Mr. President, will the Senator allow me to ask for the yeas and nays, by yielding momentarily?

Mr. HOLLAND. I yield.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, I object strongly to this amendment, for several reasons.

The first reason I cite is that the distinguished Senator from New York, who offers this amendment on the floor, is a member of our subcommittee, is a member of our full committee, and did not attend the hearings when this matter was before the committee. Until this morning, he has not suggested anything be done along the line of this amendment. I do not believe that is playing quite fair with the other members of the committee, who have worked hard, who have attended the hearings, who have attended the markups. I do not believe that is the way to go about getting legislation.

The second point is this: This provision was placed in the bill long before I became chairman of the subcommittee. I was a member of the subcommittee. And it was done so because misuses of section 32 funds were being made and others were being suggested which the committee felt should not be made without having some kind of congressional supervision.

The particular feature that was suggested was the payment of per diem and mileage expenses to the amount, as I recall—and the clerk has just told me it also is his recollection—of approximately \$125,000 that year, which they wanted to use in that way.

Mr. President, I do not believe that is the proper way for Federal money to be used. I do not believe it is a proper exercise of our own discretion, to allow that kind of practice or to allow a situation under which that kind of practice could result.

The next point to which I wish to call attention is the fact that the Senator makes his proposal at a very dangerous time. The Kennedy round reductions of tariff go into effect as of July 1. We do not know what the result will be by way of reduction of tariff receipts; and Senators know, of course, that the amount of section 32 funds in any one year depends upon the amount of tariff receipts, 30 percent of which is dedicated to this fund, which, in the first instance, is earmarked for use in preventing surpluses in highly perishable crops—fruits, vegetables, meats, poultry, and the like—from tearing down the value of the production which is needed by our country.

There is a limit upon how much can be used in any one commodity. That limit has had to be approached 3 times

since I have been a Member of the Senate—always for meat. I believe once it was for red meat, and twice for pork, or vice versa. Approximately \$100 million a year had to be used to prevent surplus production of those important meats from tearing down the value of the rest of the meat which was needed by our Nation.

The fact is that this amendment, as it has been continued in this bill for the last 10 or 12 years, simply provides that except as authorized annually in this bill, and except for certain permanent transfers out of section 32, which we have agreed to by legislation—one for the aid of the fishery people and one for the formulation and administration of marketing agreements. We feel that marketing agreements, as applicable to perishable commodities, is one of the pieces of machinery allowed by law which should help to avert surpluses. So we have allowed by law the use of \$2,950,000 for the administration and development of marketing agreements and orders.

We have allowed other sums which are mentioned in this bill, which have some relation to the general subject matter. We have allowed \$104 million a year to be directed for the special school milk program. We have no objection to that continuing. Over the years, we have allowed \$45 million a year for the school lunch program, and that is stepped up this year to \$64,325,000.

We are not insensible to the thought that the school lunch program needs help. The surplus purchase program, as a matter of fact, has been one of the great contributors to the school lunch program. When commodities are taken off the market by a section 32 purchase, the first and dearest objective for the use of those commodities is their being placed into the school lunch program.

So that we believe that the continuation of this program is wise and has proved necessary. It would be unwise to discontinue the program at the very time when we need to transfer, at the end of the year, all that is not really needed for section 32 purposes. This would be the most unwise time we could move to take this provision out of the law.

This provision insists upon the use of section 32 funds for approved section 32 purposes, as approved by Congress; and then the remainder of it, with the exception of a carryover of \$300 million as provided for by law, goes into the general revenue fund each year.

Mr. President, we have not had as much use for section 32 funds in the last 2 or 3 years as we sometimes have had, because there have not been huge surpluses that were selling at a loss to people in the fields of perishable commodities, such as has sometimes existed in the past. Frankly, looking at the picture as it is now developing, I believe we will have more need for section 32 purchases this year than we have had for the last 2 or 3 years. When I look at the price of meat, when I look at the price of poultry, when I look at the price of some fruits and vegetables, I believe we will have real need for this provision.

I believe we have been careful and even generous in caring for other needs

that are not strictly section 32 objectives, and I have mentioned some of them already.

I hope that we shall not disturb this salutary provision of the law, which has been carried forward for the last 10 or 12 years; or, if we seriously believe it should be disturbed, that we will make it the subject matter of proper hearings at the proper time in our committee, so that we can know what is happening, rather than have something simply thrown into the lap of the Senate on the floor of the Senate, at the time of consideration of the bill, by a member of the subcommittee, who is also a member of the full committee and who has never previously suggested that such a course would be followed.

The committees have, therefore, not had a chance to consider it. I hope the amendment will be rejected.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. ALLOTT. Do I understand there was no testimony before the committee on this amendment?

Mr. HOLLAND. If there is any testimony I have no recollection of it. There is much testimony in the hearings as to the use of the section 32 fund and our desire to continue that. We even showed a desire to enlarge the use of it for the school lunch program and we have been rather generous in allocating for it. We allocated \$15 million this year for some research programs, as the Senator may recall. We do not want to be stingy in any way and this committee cannot be charged with being insensitive to the needs of the poor or insensitive to the needs of school children.

To the contrary, we have gone far beyond the action of the other body in those fields. My feeling is that this is a very meritorious provision, long continued in the bill, and this is the very worst time to discontinue it, when we need money to be saved, when we need congressional supervision of spending, and when we do not need to turn loose to a governmental official large sums as this might involve, as large as \$230 million, for spending in any direction that the Secretary or his people may require.

Considering the fact that the tariff revenues will certainly go down beginning July 1, this is the worst time possible to suggest a depletion of section 32 funds.

I hope the amendment is rejected.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, Secretary Freeman told the House Committee on Education and Labor that section 32 of the Agriculture Act of 1935 prevented him from feeding the hungry. I do not think he is right, but if he is right, and he might be, let us take section 32 out of the way so that the hungry can be fed. I can think of no better time to do it than now, right after that extraordinary documentary film produced for television by CBS, entitled "Hunger in America," which incidentally will be shown in 15 minutes in the Senate au-

ditorium in the New Senate Office Building, and again at 3 o'clock.

Hunger in America is beginning to get through to the American people, and it is high time it did. It is also high time that bureaucrats—and I exclude Mr. Freeman from that invidious description—were given a clear green light to feed the hungry.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point three editorials as follows: An editorial entitled "A Morsel for the Starving," published in the Philadelphia Evening Bulletin, an editorial entitled "Hunger in the Nation," published in the Philadelphia Evening Bulletin, and an editorial entitled "Inexcusable Hunger in America," published in the Philadelphia Inquirer.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

A MORSEL FOR THE STARVING

More than 13 months have gone by since the first general disclosures of starvation in the Deep South and now the first trickle of funds to alleviate the condition is just beginning to flow out.

Aside from the shame of permitting starvation in the world's most affluent nation and the added shame of taking so long to do something about it, the prime realization required at the moment is that the present effort is nowhere near enough and must be substantially augmented by Congress this year.

After Congress last year amended the Economic Opportunity Act to provide \$25 million this year and \$50 million next for relief of those needing food, the Senate Appropriations Committee chopped the first-year allocation to \$10 million. The first \$5 million of that—for dispersal of food and medicine by the Office of Economic Opportunity in 256 counties in 21 states—is just now beginning to be paid out.

Of the remaining \$5 million, about half will go into the food stamp program, which has lately run out of funds, and the remainder will go to a variety of programs, including some payments to families who cannot afford to buy the food stamps, no matter how great a bargain they are.

This has been a situation encountered by the poor all over the country, including Philadelphia, and should prompt a restudy of the program.

Not only are the programs skimpy, the information about starvation in America is rudimentary. At last year's Senate subcommittee hearings, it was revealed that no agency of the Government knew how extensive the condition was. Provision was then made in the Partnership for Health Act for a study to find out, but the Bureau of the Budget allocated no funds for it and no study has been started.

The conclusion must be: not only do we tolerate starvation, we don't want to know much about it.

HUNGER IN THE NATION

The gap in the Federal Government's knowledge about the extensiveness of hunger and starvation in the United States has now been bridged—not by the Government, but by a private organization, the Citizens' Board of Inquiry into Hunger and Malnutrition. It is one more chapter in our questionable record of dealing with this national problem.

Ten million people, at least—more than the total population of Belgium—are victims of hunger, the Citizens' Board found. Federal food programs cover only 5.4 million of the 9 million poor, and not the poorest

of the poor, at that. The Citizens' group calls the surplus food and food stamp programs of the Department of Agriculture a failure, much of the blame resting with influential members of Congress who have prevented the programs from being effective. They recommend that emergency food programs and free food stamps based on income tax returns be handled by either the Department of Health, Education and Welfare or the Office of Economic Opportunity.

To a small degree, this is the direction in which government already has begun turning. The tiny trickle of emergency food funds that began to flow out of Washington last month—a good year after the first general disclosures of starvation and hunger—went out through the OEO. Except for the physical fact that food was being handled, there never has been any fundamental reason for the Department of Agriculture to administer the programs. They are, in fact, quite apart from the department's prime mission.

It is high time that the Federal Government seriously undertook to eliminate hunger in this affluent land. A proposal by Senator George McGovern for a special and searching inquiry by the U.S. Senate into all aspects of the programs now supposedly dealing with this problem certainly appears to merit immediate approval.

INEXCUSABLE HUNGER IN AMERICA

The charge by a committee of private citizens that there is detailed and explicit evidence of chronic hunger of a "desperate" nature in many parts of the United States, but primarily in the South and Southwest, in spite of the vast abundance of this Nation's food production and largesse to the needy both at home and abroad, demands immediate attention from State and local agencies and the Federal Government.

A principal blame for this situation is fastened by the committee on misconceptions in the handling of Federal food programs administered by the Department of Agriculture and funded by Congress. The committee charges these are "designed and administered" to maximum agriculture income. All other objectives, it says, "always yield to this one."

About the actual existence of large scale suffering there seems little reason for doubt. The Citizens' Board of Inquiry into Hunger and Malnutrition has spent nine months studying the evidence and touring the country. It found 256 "hunger counties" in 20 States where a total of millions of people "must go without food for days each month." It describes the prevalence of hunger and malnutrition among the poor in such counties, particularly in Georgia and Mississippi, as "desperate and shocking."

It reported a second group of counties in other States, including eight in Pennsylvania, where a "serious hunger problem" exists primarily because food and welfare programs reach less than 25 percent of the poor.

More study may be needed to find a permanent remedy, but while people suffer, the inescapable immediate need is for corrective steps. Congress might well heed the Board's advice that Federal food programs be removed from the administration of the Agriculture Department. Responsible agencies in our own Commonwealth should forego the usual indignant denials and concentrate on eliminating the horrible conditions found by the Committee.

Mr. CLARK. Mr. President, I also ask unanimous consent to have printed in the RECORD a transcript of the CBS program "Hunger In America," as broadcast over CBS Television on May 21, 1968.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

CHARLES KURALT. Hunger is hard to recognize in America. We know it in other places, like Asia and Africa. But these children, all of them, are Americans. And all of them are hungry.

Hunger is easy to recognize when it looks like this. This baby is dying of starvation. He was an American. Now he is dead.

(Announcement.)

ANNOUNCER. Here for CBS Reports is Charles Kuralt.

KURALT. Food is the most basic of all human needs. Man can manage to live without shelter, without clothing, even without love. Poverty, unpleasant as it is, is bearable. But man can't remain alive without food.

America is the richest country in the world, in fact the richest country in history. We spend a colossal amount of money—one and a half billion dollars a year—to feed the rest of the world. But this spring a private agency, The Citizens Board of Inquiry, consisting of distinguished leaders in many fields, released an exhaustive report claiming that serious hunger exists in many places in the United States.

Out of a total population of 200 million, the report states, 30 million Americans are impoverished, with family income below \$3,000 a year. Five million of these people are helped by two existing Federal Food Programs. Now a new figure must be added: Of the 30 million who are impoverished ten million Americans, whether or not they are reached by Federal aid, are hungry. That's just the arithmetic. Unfortunately, the problem is all too human.

CBS News has spent the last ten months investigating hunger in America. We selected four areas of the country to examine closely. Tonight we present our results.

San Antonio, Texas, is celebrating its 250th birthday with an international exposition, HemisFair '68. Thirty-two foreign countries with pavilions, restaurants, amusements and exhibits are helping San Antonio congratulate itself on its growth and progress. There is a skyride, a monorail, and, of course, the usual 600-foot tower with the revolving restaurant on top. Texas Governor John Connally says HemisFair has turned the downtown area "from slum to jewel box."

But the jewels don't glitter very brightly on the other side of town where 400,000 Mexican-Americans live, half the city's population. Most of them are crowded into what city officials refer to as "poverty tracks." Mexican-Americans face a language barrier, and like most poor people, they suffer from lack of skills and unemployment. A hard time earning means a hard time eating. A quarter of San Antonio's Mexican-Americans, 100,000 people, are hungry all the time.

CBS News Correspondent David Culhane found out how hungry from a woman with six children and an unemployed husband.

CULHANE. Do you have any food in the house now?

Mrs. MEDRANO. No, sir. I haven't got anything.

CULHANE. What do you tell your children when they come home and there is no food?

Mrs. MEDRANO. That we haven't got anything to eat and they just have to lay down like that until the next day and see if we can find something to eat.

CULHANE. And that's it?

Mrs. MEDRANO. Yes, sir. They just come in and drink some water and go to bed.

KURALT. Father Ralph Ruiz, a Catholic priest, lives and works with the poorest of San Antonio's Mexican-Americans. He is a missionary among his own people. Father Ruiz gives out food as often as he does Communion. Prayer, Father Ruiz knows, is not what a man wants when his stomach is empty.

RUIZ. Many people expect to see hunger in the faces of children or of other people. Hunger is felt and when you begin to see hunger in the faces of people, it is because

they no longer feel that hunger. I've asked them, "Are you hungry? How are you doing?" "No, no, Father, we're doing fine." "What did you have to eat?" I asked them. "We had beans and tortillas." "When?" "This morning." "And this afternoon?" "We had beans and tortillas." "And what are you going to eat tonight?" "Beans and tortillas."

I am a Mexican-American myself and I love beans and tortillas and chile, but I also love meat, milk, cheese. And if anybody thinks the poor eat tortillas and beans and that alone because they love it, they are naive.

Many times children get pennies, nickels, dimes, and the first thing they do is run to the store and buy junk like candles, potato chips, things like that, and we criticize them. Look at those kids running to the store and buying that junk. But these little fellows instinctively go and buy these sweets and so on because it will do away with their hunger. It will mitigate their hunger. For these people—my people—education is a luxury. The mind comes in second place when the stomach is empty.

Y tu? Jerry, Pasa a escuela?

JERRY. Si.

RUIZ. Hablas Oñgles?

JERRY. Poquito.

RUIZ. OK. What school do you go to?

JERRY. Southside.

RUIZ. Southside. How far is school from here?

JERRY. Eight.

RUIZ. Eight what?

JERRY. Eight miles.

RUIZ. Is it a high school, or a junior high school?

JERRY. Junior high.

RUIZ. Junior high. When you go to school there, do you take lunch with you?

JERRY. No, sir.

RUIZ. And what do you eat at noon then?

JERRY. Nothing.

RUIZ. Do they have—do they have a cafeteria there?

JERRY. Yes, sir.

RUIZ. Do they know that you eat nothing at noon?

JERRY. I guess not.

RUIZ. How much does lunch cost over there?

JERRY. Thirty-five.

RUIZ. Do you have 35 cents to buy your food with?

JERRY. No, sir.

RUIZ. In the mornings when you go to school, do you always have breakfast here at home?

JERRY. Yes, sir.

RUIZ. What do you have for breakfast here at home?

JERRY. Beans.

RUIZ. Beans. What time do you quit school every day?

JERRY. Three-thirty.

RUIZ. Till three-thirty. So from morning till three-thirty, you have nothing else to eat?

JERRY. No, sir.

RUIZ. Besides beans?

JERRY. Yes.

RUIZ. How are you able to work, in school, and to study if you have nothing to eat at noon?

JERRY. I don't know.

RUIZ. They don't know what it is to have meat at least once a week. They don't know what it is to have milk at least once a day for their children. They don't know what it is to have a dessert. They've never had a dessert. All these things to them are like a star able to be seen, unable to be attained.

KURALT. San Antonio's answer to hunger for the last fourteen years has been surplus commodities. Surplus commodities are foods that farmers cannot sell and nobody else wants. The U.S. Department of Agriculture buys surplus crops from farmers and gets rid of them by giving them to the poor. For farmers and the Government, commodities

are a convenience; for the poor they are simply an inadequate dole. The program consists largely of dumping excesses rather than providing essentials. In April, for instance, the Department of Agriculture distributed 1,400,000 pounds of peanut butter. The program has not changed since it was conceived of in the 1930's. Commodities are still given to three and a half million Americans in 1,272 counties. Commodities are most notable for the foods they do not include: there are no green vegetables, no eggs, no fresh meat, fresh milk or fruit. No one claims that surplus commodities are anything but a diet supplement, but for all too many of those who receive them, commodities are the entire diet.

The poor are alive because they eat; they are malnourished because of what they eat. Fat people can be hungry people.

CULHANE. I understand that you've been ill. Can you tell me about it?

WOMAN. Well, it started when I was expecting my baby, about nine months—almost a year. I got sick and the doctor said that I had to stay in bed for quite a while, which I did and, well, I was supposed to be in so many ways on a diet, but I couldn't afford them on account that my husband is not making enough money to support a family, which is nine in the family.

CULHANE. What did he say that you should eat?

WOMAN. Well, he—he recommends that I had to eat—either I eat these things of if I keep on gaining—The truth is, if I keep on gaining and eating starch things, I won't last long.

KURALT. Hunger is never so devastating as in a child. Never so horrifying as in what it may drive a child to do. Social Worker Mary Garcia sees many such children.

CULHANE. Miss Garcia, why is this girl being detained?

Miss GARCIA. She was picked up for soliciting for prostitution.

CULHANE. How old is she?

Miss GARCIA. She's eleven.

CULHANE. Eleven. Is this an unusual case?

Miss GARCIA. Well, yes, unusual because of her age; but I do have quite a number of girls that are involved in it.

CULHANE. Why would a girl of this age go into prostitution?

Miss GARCIA. Well, in talking to them, the reason they give me is that they do it so that they can get the money to buy food. Because they don't have any at home.

KURALT. San Antonio has four County Commissioners, and their opinions vary. A. J. Ploch is the Senior Commissioner. He has served five successive terms—for the last 18 years. David Culhane asked Commissioner Ploch about the children in San Antonio who are not getting enough food.

PLOCH. Well, why are they not getting enough food? Because the father won't work and I mean won't work. If they won't work, do you expect the taxpayer to raise all the kids? First let's do something with their daddies, and then, yes, take care of the kids.

CULHANE. I wonder whether these children who are not getting a proper diet are going to be able to learn properly in school?

PLOCH. Well, what do you mean "learn properly in school?" Do you really need school? Other than, say, an eighth grade education? That's another thing people keep talking about—this education—college education. It's not necessary.

CULHANE. What do you do about the children who are not getting enough to eat?

PLOCH. Well, I don't know about that, because that's really the problem of the father. Now, what to do about the man, I don't know, but you'll always have that condition, because if you don't have that condition, then you'll never have Indians and chiefs and you've got to have Indians and chiefs.

CULHANE. I'm not sure I understand what you mean. You mean that you'll always have hunger?

PLOCH. Not necessarily—yes, you'll always have it, because some men just ain't worth a dime. You'll always have hunger, yes.

KURALT. San Antonio has one charity hospital, The Robert B. Green. David Culhane talked with Mrs. Vera Burke, who is director of Social Services at this hospital.

CULHANE. Mrs. Burke, how many of these people would you say are malnourished?

Mrs. BURKE. Well, I would say in one way or another all of them are malnourished and we see in this clinic 300 patients every day during the week and about 200 every single day of the week in the emergency room. Many of our patients arrive here without having had breakfast; all of them we know have inadequate food budgets and inadequate diets, and one of the problems in treating patients with inadequate diets is that you have a prolonged period of recovery due to inadequate food intake and inadequate protein. Specifically these patients eat a high starchy diet which is not conducive to good—speedy recovery.

Perhaps because of the malnutrition and their hard lives, many of them look 10, even 20 years older than they really are. Many of these patients will be told that they must have certain foods. None of them will be able to buy even the basic diet that the doctors tell them to have. As a social worker, the first impact that the hospital in San Antonio made on me was one of great shock, because in the ten years that I worked at Bellevue Hospital in New York, I never saw patients with as much malnutrition as I encountered here. Most particularly this occurs in the pediatric service.

KURALT. Three wards at the Robert B. Green Hospital are constantly filled with babies admitted because of malnutrition and diarrhea. In a small child who is poorly nourished to begin with, diarrhea can be fatal. These babies are from six months to more than a year old.

Mrs. BURKE. Think, if you will, of a baby over a year old weighing less than five pounds. They come here weighing less than they did when they were born. But the awful fact is that after these months of treatment, we send these babies back home where there is no milk and the nutrition is so poor that they return to the hospital again and again and again.

KURALT. Because of malnutrition, the wards for premature babies are also constantly filled. Malnutrition—a problem for the mother—can become a tragedy for her baby.

Mrs. BURKE. There is a distinct correlation between the food that a mother receives during pregnancy and the kind of a delivery she is going to have. With inadequate nutrition, there is also a strong risk that the baby will be premature or will be of premature weight—less than five pounds—even if born at full term.

KURALT. Many of these babies born of malnourished mothers weigh as little as a pound and a half. They must be fed intravenously and they require constant medical attention. Some have to remain in isolets for more than eight months, still weighing less than a baby should at birth.

Mrs. BURKE. Their lives are constantly in jeopardy. They have a very hard time making it to live, but with the special care that they get, many do manage to survive.

KURALT. Some of the babies do not survive. (Announcement.)

ANNOUNCER. Here again is Charles Kuralt.

KURALT. Loudoun County, Virginia, is anything but a poverty pocket. It is headquarters for the so-called horsey set. The county contains hunt clubs, private schools, and aristocratic race meets that mingle the pedigrees of the horses with those of their

owners. The trappings of wealth are everywhere. Loudoun County is only 25 miles outside Washington, D.C. It is the home of distinguished legislators like Senator Everett Dirksen, celebrities like Arthur Godfrey. Society here is studded with American nobility—names like du Pont, Mellon and Whitney.

Hunger is the last thing an outsider would expect to find; indeed it might be the last thing he would find. Yet hidden away in Loudoun County are thousands of shacks where tenant farmers lead a marginal existence. Loudoun County, like one-third of the counties in America, has no Federal Food Program.

Dr. Stephen Granger, the Loudoun County Medical officer, knows and treats many of the tenant families. Dr. Granger told us the households have too many members and too little food.

Dr. GRANGER. In Loudoun County the families of the tenant farmers tend to be large, and the children get neither the right food nor enough food. Their diet is heavy on starch, mainly potatoes, and very light on protein. The physical effects of this poor diet are striking. The children have kind of a hollow lifeless look—stringy hair, a pasty complexion, a dead look about their eyes. There is a hopeless feeling that springs almost physically from these children. But bad diet affects brain tissues as well, a child's ability to think and to learn. Perhaps the worst damage is done during infancy when the child is completely dependent and helpless. The brain damage is not reversible. It can't be changed. Not by Christmas baskets, not by hot lunches when he starts school, or anything else, one year from now or five years from now.

KURALT. Dr. Granger's staff of Public Health Nurses has to spend a good deal of time figuring out ways for these families to eat a little bit better—how to get the right kind of food, and how to make the best use of it.

Mrs. BARRETT. I see the youngsters are all up aren't they? Has she had her lunch?

Mrs. HOPKINS. Not yet.

Mrs. BARRETT. What does she eat for lunch?

Mrs. HOPKINS. She eats from the table.

Mrs. BARRETT. What she going to have for her lunch today?

Mrs. HOPKINS. Well, we don't know.

Mrs. BARRETT. You don't know what's being prepared yet?

Mrs. HOPKINS. No.

Mrs. BARRETT. Do you have any baby food in the house?

Mrs. HOPKINS. Not yet.

Mrs. BARRETT. And this one is two weeks old.

Mrs. HOPKINS. Yes.

Mrs. BARRETT. And you haven't started feeding her her cereal yet?

Mrs. HOPKINS. No.

Mrs. BARRETT. Well, I would start that. And this child eats all together from the table?

Mrs. HOPKINS. Yes.

Mrs. BARRETT. What did she eat for her breakfast this morning?

Mrs. HOPKINS. She ate gravy.

Mrs. BARRETT. She ate gravy for breakfast. Anything else besides gravy?

Mrs. HOPKINS. No.

KURALT. There is an additional problem in Loudoun County. The pride of the people. Even if surplus food were available—and it's not—most of them would probably reject it. David Culhane talked to a tenant farm worker and his wife.

Mr. JONES. You've got to admit to the fact that you're poor and you can't be—look down on yourself because you're poor. You've got to be proud of it, and we're poor and we're proud of it. Some people are rich and they're proud of it. It's just a way of—a way of life.

CULHANE. Do you think that you need help?

Mr. JONES. No, I don't need no help. God only helps those that help themselves. Now a man—so long as a man has got two hands, two feet and a brain, nothing—there's no limit.

CULHANE. Granted that you try, but really now, doesn't it sometimes happen that you can't afford something that you know they should have?

Mrs. JONES. Well, usually when it comes right down to that we usually get what we need for the kids first, then if we have to go without juice, or we have to go without some little extra, we have to buy less potatoes for ourselves, or less something for ourselves, we'll do that in order to get for the kids.

CULHANE. What would you say about people who say they want help?

Mr. JONES. I would consider them kind of people—well, to put it in plain words, leechers, because if they can't help themselves, they've got no business being married. They've got no business having children. I want to take care of my family myself. I didn't marry—they didn't marry me. I married my wife and I have two children and it's up to me to take care of them, not receive handouts. That's a bum. If I want to be a bum, I'll go to Washington. There's plenty of them.

KURALT. Dr. Granger also sees the slow but certain human erosion caused by the kind of life the tenant families lead, the kind of food they eat.

GRANGER. One of our patients, a woman with dignity and perseverance, is only 39 years old. She looks to be much older than that. This is not rare among our families. It can be caused by a number of medical problems, but malnutrition certainly plays a big part. There are about 7,000 households in the area that have severe nutrition problems. They rarely, if ever, eat a complete meal. Their lives are borderline in every sense. These people, with no past to be proud of and no hope for the future, seek immediate forms of enjoyment. This is why we frequently see a late model television set in the living room of a family that's not tasted meat for six weeks. This is why we frequently see a late model baby in the crib. This is why we often see empty pint bottles in the yard. All these things are signs of the short term. With no real prospects in life, they turn to the few pleasures they can find. Often the only creative thing a woman can do in these circumstances is to have a baby, and then to have another one. And so they do. The children grow into the image of their parents, and like their parents, they will be old before they should be.

Surrounded by prosperity, these people share in none of it. The misery in their lives is a constant. The sameness stretches from one day to the next, one year to the next, one generation to the next.

KURALT. The deserts of Arizona and New Mexico are nice places to visit, but the Navajo Indians have to live there.

Living in a desert, just staying alive, is very hard for the 125,000 members of the largest tribe in the United States. The West was theirs once. They were nomads and their home was vast. Now they have an arid reservation.

Dr. Jean Van Duzen of Tuba City, Arizona, has practiced among the Navaho Indians for the past 14 years. She continually faces the medical problems caused by lack of food.

Dr. VAN DUZEN. Right now they look like they're kind of low on food. When they run out of food, what kind of foods do they eat?

WILSON. (Dialect). Flour and lard and coffee.

Dr. VAN DUZEN. In other words, fried bread and coffee.

WILSON. That's right

Dr. VAN DUZEN. The children too?

WILSON. (Dialect). The children—

Dr. VAN DUZEN. Everybody eats the same?

WILSON. Everybody eats the same.

Dr. VAN DUZEN. The people that I see every day look like they are fed mostly on starches. The older people tend to be rather fat and dumpy. The children are just plain undernourished. They're shorter than they should be. They're thinner than they should be. They're less resistant to infection.

Mr. KURALT. Half the Navajos make less than \$1,500 a year. There is not enough water to farm here, so they try to be shepherds. But it takes ten of their dry acres to produce enough food for one sheep—and when sheep are hungry, so are their owners.

Surplus commodities are given to the Navajos every month by the Department of Agriculture. The tribe has trucks that deliver the commodities to trading posts, but the Navajos often have to walk as far as 25 miles to pick them up.

Dr. VAN DUZEN. Surplus commodities are not meant to act as the entire diet for the Navajo, or for anybody else. It's only 40 percent of the caloric needs of the people. It does not make any allowance for protein needs, for vitamin needs, for mineral needs. It does have mostly starch. It's what I would call a white diet and this is actually a very, very, poor diet.

I've been out in the hogans and I've seen what the women have to make. It's usually lard, flour, sugar, salt, some tea, coffee, maybe a few potatoes. In fact, I very seldom have seen vegetables in the hogan of any kind. They talk about mutton stew, but in fact, they do butchering only every other week, and then they share it with the whole camp. So no matter how you figure it, they couldn't possibly get meat more than once every two weeks. The main diet is starches with fried bread or sometimes store bread, potatoes, very little else.

KURALT. The Public Health Service Hospital for the Navajo Reservation is in Tuba City, Arizona. Dr. Van Duzen showed David Culhane some of the babies brought to this hospital because of malnutrition bordering on starvation.

Dr. VAN DUZEN. Let me show you one of the real kwashiorkors.

CULHANE. This child is representative of the sort of thing you find here?

Dr. VAN DUZEN. He still shows some of the signs of kwashiorkor.

CULHANE. What is—you keep using that word "kwashiorkor." What exactly is that?

Dr. VAN DUZEN. Kwashiorkor is the most severe form of protein calorie malnutrition. This is a disease that was seen first in South America and Africa. It's not supposed to exist in the United States, but it does.

CULHANE. How much of it do you get here?

Dr. VAN DUZEN. I've seen about four cases a year and right now I've got four cases on the ward. I've seen several other cases, so there's lots of it.

CULHANE. How about this child now? What's this child's condition at this point?

Dr. VAN DUZEN. He's much improved. When he first came in, the skin was much looser and hung in folds. It still is not normal. You can't feel a good muscle mass and the thighs show a lot of flabbiness. The child's face shows a lot of things to us. The corners of the lips and then we look at the gums. Very frequently we even see scurvy. I can tell about the hair. This is not normal hair for a Navajo child. Much too thin. It's red.

CULHANE. What would the normal condition be?

Dr. VAN DUZEN. Oh, Navajo babies have beautiful black, silky hair and lots of it. This is not normal.

CULHANE. What did this child look like when he came into the hospital?

Dr. VAN DUZEN. When they arrive they're usually so weak that they can't suck. They can't lie, they really don't even cry. Some of them are sick enough so that you think they're going to die in a day or two. But he's much better. Can you stand up? No, not real—

CULHANE. Is it possible that this child will ever really catch up?

Dr. VAN DUZEN. It depends whether or not he goes back to a home with a normal diet or not. It also depends upon how long the bad diet was before and how severe. Most of them recover, but there's some question that they may be always shortened and they may have permanent damage to the brain and ability to learn how to read and write and learn in the usual schooling situation.

The disease that I'm worried about the most though is the marasmus which is in the very young baby.

CULHANE. What is marasmus?

Dr. VAN DUZEN. Marasmus to total, total calorie and protein malnutrition. This is where a child gets nothing, practically nothing but water, and very quickly they get into great trouble and frequently they die. When you make the diagnosis of marasmus, you know a third of them is going to die. That's one-third.

Marasmus children usually lose the fat padding in their cheeks and so they don't have strength enough to suck even if they want to. The problem is that many times they don't want to. Mothers will tell me that the baby doesn't cry and they don't. They just lay there. This baby had marasmus mainly because the mother's milk dried up and she didn't have any other way to feed it. If you don't have the money, well, you don't buy milk. And after a few weeks or months living on nothing, why, yes, he starves.

The baby came in, it had lost all the fat that it was born with. The skin hangs particularly on the legs, doubles over on the knees, the face is wrinkled and looks like a very, very old person without any teeth. We decide how they're getting well just by how young they look. When they look 60 years old rather than a 100 years old, they're getting better.

We lost a little girl last week with marasmus. When I talked to the mother afterwards she said she had lost eight other children, all of them under a year of age when they died. She wanted this little girl. Little girls are prized in the Navajo culture. She's up in the Tuba City Cemetery now. It's a little mound. The little short mounds are for the little short caskets, and the larger ones are for the older people. I think more of them are little than they are big. I don't go there any more. There's too many people up there that I know.

ANNOUNCER. CBS Reports: "Hunger in America" will return in a moment.

(Announcement.)

ANNOUNCER. CBS Reports: "Hunger in America" continues.

KURALT. It has never been easy to be a Negro in Alabama. Times have often been bad, and they've never been good. But there's always been cotton—to plant, to chop, to pick and to plough. Cotton has been a misery, but at least it's been a meal ticket. Now it's not even that. The machines have taken over, and a field that once needed 100 Negroes today barely supports three. Ten years ago machines harvested only two percent of Alabama's cotton. This year they will harvest more than 80 per cent.

The Negroes must look elsewhere for jobs, and the jobs are not in Alabama. Some go North. Many others remain, often because they are so poor, so tired and so hungry that they can't even get up and go. In the long history of Black Belt deprivation there have never been times as bad as these.

Last spring the field Foundation sent six prominent doctors to investigate hunger in Mississippi. One of these was Dr. Raymond Wheeler, who has lived and practiced in the South all his life. We asked Dr. Wheeler to visit Hale County, Alabama.

Dr. WHEELER. Slow starvation has become part of the Southern way of life. The apathy and the violence, the ironic but brutal con-

trasts that pass for Southern traditions are impossible to believe until you have seen them.

You have how many children to feed?

Mrs. ZANDERS. Ten.

Dr. WHEELER. Ten children.

Mrs. ZANDERS. Yes.

Dr. WHEELER. Are there times when you don't have enough food in the house to go around?

Mrs. ZANDERS. Yes, sir, lots of times.

Dr. WHEELER. There are times when—

Mrs. ZANDERS. I just have to make out with what I have. Give each one of them a little of what I have.

Dr. WHEELER. What did you have for dinner today?

Mrs. ZANDERS. I didn't have any dinner.

Dr. WHEELER. You're going to have a baby before long?

Mrs. ZANDERS. Yes, sir.

Dr. WHEELER. What kind of food do you eat?

Mrs. ZANDERS. Rice; chicken sometimes.

Dr. WHEELER. What else do you eat?

Mrs. ZANDERS. That's all, and water.

Dr. WHEELER. Mrs. Zanders, what does your husband do for a living?

Mrs. ZANDERS. He gets jobs in hay fields.

Dr. WHEELER. In hay fields?

Mrs. ZANDERS. Yes.

Dr. WHEELER. How much does he make when he's working?

Mrs. ZANDERS. From three to four dollars a day.

Dr. WHEELER. Three to four dollars a day?

Mrs. ZANDERS. Yes, sir.

Dr. WHEELER. And he hasn't worked now in three or four weeks?

Mrs. ZANDERS. Yes.

Dr. WHEELER. Do you get food stamps?

Mrs. ZANDERS. No, sir, because I'm not able to get them.

Dr. WHEELER. Why not?

Mrs. ZANDERS. I ain't got them this month. They cost \$70 and I don't have it.

Dr. WHEELER. Have you asked for any help from anyone in raising the money to buy those stamps?

Mrs. ZANDERS. No, sir, there ain't no need.

Dr. WHEELER. Why?

Mrs. ZANDERS. They ain't going to give it to you.

Dr. WHEELER. Have you been down to the Welfare Department and talked to them, or has your husband?

Mrs. ZANDERS. No, sir, the last time I went to Welfare the lady told me—said if you have a living husband that they can't give you no help.

Dr. WHEELER. Even if he's not working?

Mrs. ZANDERS. Yes, sir.

KURALT. Three weeks after talking to Dr. Wheeler, Mrs. Zanders gave birth to a severely malnourished baby. Two days later the baby died.

Alabama's solution to hunger in 15 counties is the Federal Food Stamp Program. The U.S. Department of Agriculture sponsors the program, but it is administered locally by the states and counties. Each county has a central office where the stamps are sold. Food stamps are a means of giving a family a bonus. For a cash payment—\$25 for instance—a family receives food stamps worth much more money, perhaps \$70 or \$80. The stamps, in other words, are worth much more than the cash paid for them. The cost of stamps varies from family to family. Coupons worth \$80, for instance, may cost one family \$40 and another only \$15. This cost is set by local officials. Many factors affect the cost, such as the size of the family, income, and how much the family usually spends each month for food.

Food stamps can be used at local grocery stores and supermarkets. They allow a family to purchase whatever it wants in the way of food. If the family uses them wisely, stamps can provide a more balanced diet than surplus commodities. But a family may not buy food stamps a day at a time or a

week at a time. They must buy a month's supply or a half month's supply all at once. For many Alabamans it is difficult to accumulate any sum of money, even as little as \$5 or \$10 on a given day. What little money they do get must go immediately to pay an urgent debt or to feed an urgently hungry mouth.

Dr. Wheeler examined the children of a family that can't afford food stamps. Their father had not worked in five weeks.

Dr. WHEELER. When children don't get enough to eat, their initial response to the world is mistrust. The children here get up hungry, go to bed hungry and never know anything else in between. They are hungry all the time. They can't even feel the depth of their own hunger.

Even a superficial examination of these children reveals the unmistakable effects that their skimpy, monotonous meals must inevitably produce. In the first year of their lives, these children fall behind. In each subsequent year they fall further behind, and they never catch up. Malnutrition impairs their performance for life.

Hi, Charles.

CHARLES. Hi.

Dr. WHEELER. How old are you?

CHARLES. Fourteen.

Dr. WHEELER. You go to school?

CHARLES. Yeah.

Dr. WHEELER. Do you get breakfast at home before you go?

CHARLES. Yeah. Some mornings we have peas.

Dr. WHEELER. You have peas?

CHARLES. Yeah.

Dr. WHEELER. Well, when you get to school what do you have to eat there?

CHARLES. Nothing.

Dr. WHEELER. You don't have anything to eat when you're at school?

CHARLES. No.

Dr. WHEELER. Isn't—is there any place at school where you can buy something to eat or get something to eat? Do they—do they cook a meal for you there?

CHARLES. Yeah.

Dr. WHEELER. Well, why don't you have some?

CHARLES. I don't have any money to buy it.

Dr. WHEELER. You don't have any money to buy it.

CHARLES. Yeah.

Dr. WHEELER. How much does it cost?

CHARLES. Twenty-five cents.

Dr. WHEELER. It costs twenty-five cents to have something to eat at school?

CHARLES. Yeah.

Dr. WHEELER. Well, what do you do while the other children are eating?

CHARLES. Just sit there.

Dr. WHEELER. Where do you sit?

CHARLES. I sit where all the children be seated.

Dr. WHEELER. How do you feel toward the other children who are eating when you don't have anything?

CHARLES. Be ashamed.

Dr. WHEELER. Are you ashamed?

CHARLES. Yes, they haunt you.

Dr. WHEELER. Why are you ashamed?

CHARLES. Because I don't have the money.

KURALT. Dr. Wheeler talked to a woman whose family has been sharecroppers ever since they stopped being slaves. The woman and her husband and 14 children and grandchildren still live on the farm, but it does not support them any more.

Dr. WHEELER. Mrs. Carlile, why don't you raise your own food?

Mrs. CARLILE. Well, we raise what we can. We raise that okra, we raise all stuff like that in the garden when we can, but not no corn. That's the only food we can grow.

Dr. WHEELER. Why no corn?

Mrs. CARLILE. Because we don't have no corn acres.

Dr. WHEELER. What do you mean?

Mrs. CARLILE. The landlord said he sold the corn acres to the Government. And we can't have no corn.

Dr. WHEELER. So then who plants the corn?

Mrs. CARLILE. Don't nobody plants none. Just the land for the corn lays up and it's nothing.

Dr. WHEELER. The lands' there.

Mrs. CARLILE. That's right.

Dr. WHEELER. But nobody plants it.

Mrs. CARLILE. That's right. Can't plant it, when you sell it to the Government. Whoever sell it get a check off it. Can't raise nothing on it. Just have to stay there. I've always been raised on corn. Having corn, raised hogs, chickens, turkeys. But I can't raise them 'cause I don't have food to feed them. I can't raise corn and I can't buy it.

Dr. WHEELER. Now that you can buy food stamps, aren't you able to get more food for your family?

Mrs. CARLILE. I can't buy them every two weeks because I don't have the money. I don't have the \$33 every two weeks. I don't have anybody to get it from. My husband don't make but three dollars and a half a day for the city and that's all. He don't make over \$20-\$22 or \$23 a week and I couldn't get the food stamps. They sets the price what they want you to pay and if you ain't got that price, why, you don't get no food stamps. But I just have to go along with it because I can't do no better.

None of them white people—they don't care how you live. You can work for them all right but the livin' problems, they don't care too much for it.

Dr. WHEELER. Why's that?

Mrs. CARLILE. They don't treat us like they used to treat us. They did used to treat us a lot better than they do now. But they don't do it, and I imagine—I feel like it's because the children go to school together and do a little voting, something we never have did. I never known them to do. And the younger group can speak a little more clear and a little more for themselves than we used to could. That's why the young people is leaving, leaving home, going North, where they've been all their life. Some of them have been nowhere all their life, but they leaving Alabama goin' North. They getting better jobs and they getting better treatment, the younger people. But, see, the older people, we still here in it. We ain't like the young ones. I figure they don't care whether we go or stay.

Dr. WHEELER. Why do you think they don't care?

Mrs. CARLILE. I know they don't care. I don't have to think they don't care. I know they don't care.

KURALT. The families we have visited tonight are, sadly, more typical than unique. Hunger can be found many places in the United States—too many places. Ten million Americans don't know where their next meal is coming from. Sometimes it doesn't come at all.

More than one thousand counties in need of food programs have no program whatsoever. States and counties often keep out Federal Food Programs. Surplus commodities means less food purchased in local stores. And states and counties must share in the cost of food stamps. There is also the failure of these programs themselves. Surplus commodities are free but do not contain the right foods. Food stamps are not free and too often, the people who need them most can't afford them.

The Department of Agriculture has emergency power to bring food to hungry people in any county in the United States. So far, it has been reluctant to exercise this power. In the last two years, the Department of Agriculture has quietly turned back to the Treasury \$408 million that could have been used to feed hungry Americans. CBS NEWS has learned that this year the Department plans to turn back to the Treasury another

\$227 million, more money than ever before. According to the Department of Agriculture, the existing food programs are run as efficiently as possible without this money.

Meantime, American farmers, in recent weeks, have slaughtered and buried 14,000 hogs because, they say, there is no market for them. The Department of Agriculture protects farmers, not consumers, especially not destitute consumers. The Federal Food Programs might be better administered by the Department of Health, Education and Welfare, or by a special commission whose only concern would be to see that hungry Americans are fed.

We are talking about 10 million Americans. In this country the most basic human need must become a human right.

This is Charles Kuralt for CBS Reports. (Announcement.)

ANNOUNCER. Today in Washington the House Committee on Education and Labor began hearings on the problem of hunger. On Thursday the Senate Subcommittee on Employment, Manpower and Poverty will also begin an investigation of hunger in America.

Mr. CLARK. Mr. President, the television program entitled "Hunger in America," has brought home to millions of Americans the fact that there are millions of hungry people in America and that we are doing nothing about it. We are doing nothing adequate about it.

Thanks to the cooperation of the manager of the bill, the Senator from Florida [Mr. HOLLAND], and my colleague from Michigan [Mr. HART], some slight amelioration in the terms were made which will make it a little more available to feed the hungry in America. However, the amount available falls short by several hundred millions of dollars from what is needed. If the Javits amendment is agreed to there would be \$200 million available to feed the hungry.

I suggest that our national priorities require us as a matter of first importance to feed the hungry.

We who serve on the Subcommittee on Employment, Manpower, and Poverty, of which I have the honor to be chairman, have held hearings all over the country, from Mississippi to Rhode Island, and from New York to New Mexico and California. We have established beyond any doubt that there are thousands, tens of thousands, hundreds of thousands, millions of Americans suffering from malnutrition and hunger, many who are little children, and some who are unborn children whose condition is being prejudiced by malnutrition for life before they are even born.

Surely, the conscience of America should be aroused in this cause. Surely, we should not let technicality stand in the way. I heard what the Senator from Florida said about the Senator from New York, and it may be the procedure utilized was not the procedure which one ordinarily follows. However, I say that hunger comes first with me. I think it is high time that we gave Secretary of Agriculture Freeman the authority he thinks he needs, whether he needs it or not, to stop this business of diverting funds passed by Congress, so that the hungry can be fed, as was done by the Senator from Mississippi [Mr. STENNIS] last year.

I believe hunger in America is one of the most critical matters facing our country.

It is deplorable for the richest country in the world to be unable to feed its people with an adequate and nutritious diet. I support the amendment.

I yield back whatever time I have remaining.

Mr. JAVITS. Mr. President, I yield myself 3 minutes for the purpose of referring to the arguments made by the distinguished Senator from Florida [Mr. HOLLAND].

First, I thank the distinguished Senator from Pennsylvania [Mr. CLARK] for his support in respect to this amendment.

Mr. President, I ask unanimous consent that the name of the Senator from Michigan [Mr. HART] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, with respect to the matter of protocol, it will be remembered, although I believe the Senator from Pennsylvania did not hear me when I spoke originally, I said the reason I had not brought the matter before the Committee on Appropriations—and I charge myself with it, mea culpa—was that it had not burgeoned at that time into a burning issue. We did not have the Secretary's testimony or the CBS film.

Therefore, I had the choice of following that protocol, which I respect, or not following it, and it makes me a little uncomfortable not to follow it. Under normal conditions, I think the Senator from Florida would be right in that respect.

I had the choice of following that protocol and not bringing this matter up. My conscience would not permit me to do that in view of the publicized report on hunger, the evidence that there is hunger in the United States, and the assertion of the Secretary of Agriculture that it is this provision which is tying his hands and preventing him from doing what needs to be done.

Inasmuch as I am a Senator, and it is a public duty, and not only a situation between Senators working in committee, although that is critically important to me and I respect it, I felt I must proceed.

I only ask the indulgence and the forgiveness of the distinguished Senator from Florida under the circumstances.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. I thank the Senator for bringing up the amendment. I ask that my name be added as a cosponsor.

Mr. JAVITS. I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from Connecticut [Mr. RIBICOFF] be added as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COTTON. Mr. President, I wish to ask the Senator whether under the Senator's amendment, which I believe is not printed, it is permissive for the Secretary; in other words, he does not have to divert these funds.

Mr. JAVITS. I thank the Senator. Not

only is it permissive but it would be confined only to those cases where he needs this money to relieve starvation, hunger, and malnutrition.

I have no illusions about vast sums of money being spent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. JAVITS. Mr. President, with respect to the assertion by the Secretary that it is this which is tying his hands, I think the provision was put in for totally different purposes, as has been said, dealing with per diems and other aspects of the Agriculture Department, but without in any way contemplating that the Secretary of Agriculture would invoke it now for this purpose. So I say, if that is what is tying the hands of our Secretary, we will strike it and let us see what he does now.

Finally, on the point that is the argument of the Senator from Florida [Mr. HOLLAND], that this is a bad time to do it, this is a 1-year appropriation bill. The fact is that the Secretary is turning back over \$200 million this year—the Senator says \$227 million—so that this is, therefore, a good time to do it and not a bad time to do it. The money will go back into the Treasury in large amount. A relatively small part of it can be used for this purpose which cries out to the conscience of the country, if we let the Secretary do it.

This is the one thing we should permit to be done. After all, we are not dealing with all appropriations in Congress. The question is how do we spend \$180 million, not the fact that we are going to appropriate it. We appropriate for everything under the sun in regard to agriculture. I do not begrudge it. But when we have as deserving a demand as this, and it takes a relatively small amount to honor it, we should put the Secretary in the position that he can do it. We have plenty of restraints on the Secretary. There is the Senate Committee on Agriculture, and the Appropriations Committee, so that no Secretary will go wild with these funds, I am pretty sure of that, in the face of the legislative history.

I hope very much that this will be understood, that the Senate must move to put the Secretary in the position that he does what we want him to do.

I hope the Senate will adopt the amendment.

Mr. HOLLAND. Mr. President, I yield myself 3 minutes, and then I shall be ready to vote.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, the Secretary of Agriculture has done a humanitarian job in this regard. Congress has furnished him with the material to do that fine job, and we are proposing to do even more this year. The Secretary asked for funds for the food stamp program, including reappropria-

tion authority to meet excess program costs this year. It is \$2.5 million. We are providing that amount in the bill.

The Secretary asked me personally to see if we could provide him with that sum, to allow him to take care of the overexpenditure for this year. We found that \$2.5 million would take care of it. I had a conference with the Senator from Pennsylvania and others, and we find that in the bill.

We have tried to be sensitive to this whole situation but, after all, we are representing agriculture and we want to save good agricultural programs and we want to save the Senate, too, and Congress, from having it said that we are turning over about \$200 million to be spent as someone at his own discretion might provide. We have carefully stayed away from that kind of situation for the past 10 to 12 years through this provision; I hope that the language that is in the bill will be sustained and that the amendment offered by the Senator from New York will be rejected.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I yield myself 1 minute, then I, too, shall be ready to vote.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. JAVITS. Mr. President, on May 23, 1968, the Secretary of Agriculture wrote a letter to Dr. Abernathy and he wrote as follows—it is more eloquent than anything I can say:

We, too, are concerned that our food programs do not reach as many people as they should, but today, they are reaching 5.9 million people.

We, too, are concerned that even the 50-cent minimum payment may keep some poor people from participating in the food stamp program, though 200,000 people were benefited when this minimum requirement was reduced from \$2 last year.

We, too, would like to broaden the variety and increase the nutritional value of the foods available under the commodity distribution program and we have taken action to add canned chicken, dried eggs, fruit juice, instant hot cereal, and vitamin-enriched instant mashed potatoes to the items already distributed.

And, we, too, worry that there are needy school children who do not have equal access to school lunch or breakfast programs, even though more than 2 million needy children now receive a free or reduced price lunch and over 100,000 participate in the breakfast program.

Then he wrote the following, which is the only argument that needs to be made for the amendment:

We cannot expand food stamp programs into additional counties until the start of the next fiscal year, July 1, because we have committed all the money available. Further, we will not have the resources to expand into additional counties after July 1 unless Congress raises or eliminates the \$225 million ceiling on funds authorized for the food stamp program and appropriates additional money.

The problem of the hungry poor in America is not a shortage of food. American agriculture is producing all the food that Americans can consume and more. The problem is that the poor lack the purchasing power to buy the food they need. And this is the problem we are trying to meet through our food stamp and commodity distribution programs.

Mr. President, all I am saying is that in order to do what he recognizes needs to be done, which he says is inhibited by the provisions of law, is to strike the shackles from his hands and have him do it, especially as it is de minimis and we are not talking about vast sums of money or vast grants of authority.

Mr. President, I yield back the remainder of my time.

Mr. HOLLAND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from New York.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Michigan [Mr. HART], the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from New Hampshire [Mr. MCINTYRE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Montana [Mr. METCALF], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTROYA], the Senator from Oregon [Mr. MORSE], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], and the Senator from Oklahoma [Mr. HARRIS] would each vote "yea."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from South Carolina [Mr. HOLLINGS]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from South Carolina would vote "nay."

Mr. DIRKSEN. I announce that the

Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Nebraska [Mr. HRUSKA], the Senator from Massachusetts [Mr. BROOKE], the Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. MORTON], the Senator from Arizona [Mr. FANNIN], the Senator from Hawaii [Mr. FONG], and the Senators from California [Mr. KUCHEL and Mr. MURPHY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent to attend the funeral of a friend.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], and the Senator from California [Mr. MURPHY] would each vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Arizona [Mr. FANNIN] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Kentucky would vote "yea."

The result was announced—yeas 31, nays 30, as follows:

[No. 171 Leg.]

YEAS—31

Baker	Hartke	Percy
Bayh	Hatfield	Proxmire
Boggs	Jackson	Randolph
Burdick	Javits	Ribicoff
Byrd, W. Va.	Jordan, Idaho	Scott
Case	Moss	Symington
Clark	Muskie	Tydings
Cotton	Nelson	Williams, N.J.
Dominick	Pastore	Young, Ohio
Griffin	Pearson	
Gruening	Pell	

NAYS—30

Allott	Hansen	Russell
Bartlett	Hayden	Smathers
Bennett	Hickenlooper	Smith
Bible	Holland	Sparkman
Byrd, Va.	Jordan, N.C.	Spong
Cannon	Mansfield	Stennis
Curtis	McClellan	Thurmond
Dirksen	Miller	Tower
Ellender	Monroney	Williams, Del.
Fulbright	Mundt	Young, N. Dak.

NOT VOTING—39

Aiken	Harris	McCarthy
Anderson	Hart	McGee
Brewster	Hill	McGovern
Brooke	Hollings	McIntyre
Carlson	Hruska	Metcalf
Church	Inouye	Mondale
Cooper	Kennedy, Mass.	Montoya
Dodd	Kennedy, N.Y.	Morse
Eastland	Kuchel	Morton
Ervin	Lausche	Murphy
Fannin	Long, Mo.	Prouty
Fong	Long, La.	Talmadge
Gore	Magnuson	Yarborough

So Mr. JAVITS' amendment was agreed to.

Mr. JAVITS. Mr. President, as a member of the Agriculture Appropriations Subcommittee, I want to express my support of the action taken by the committee in dealing with certain programs within the Department of Agriculture. I think the committee has shown its wisdom in restoring the funds for both the Extension Service and the Cooperative State Research Service. I also support the funding for the watershed protection program, allowing that program to move forward immediately. In addition I am particularly pleased to note that the bill

contains some funding for two new programs.

First is a badly needed study of the economic indicators of change in the rural economy. We have become more aware that a determined effort is needed to provide for a strong economically viable rural economy to offer reason to stem the vast migration of rural people into our already overcrowded cities.

Another study to be begun will assist in identifying the kinds of agricultural development that would be appropriate in the undeveloped countries. This will help to accelerate the self-help requirements which I feel are so vital to world agriculture development.

I am also pleased to note our committee has restored the budget requests for both domestic farm labor housing and rural housing direct loans. We must make every effort to improve our rural environment and anyone familiar with the pitiful condition of such migrant housing will know how much still needs to be done.

Finally although I regret the Senate did not see fit to adopt the full budget request for non-food assistance in the Consumer and Marketing Service, I was glad to join with the Senator from Michigan [Senator HART] to increase the funds from the House for the school breakfast program and special assistance for needy schools.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 16913) was read the third time.

Mr. MONRONEY. Mr. President, will the Senator from Florida yield 2 minutes, so that I may ask him a question on the bill?

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may have 2 additional minutes for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I ask the distinguished chairman of the subcommittee if funds to finance the inspection of kennels for the care of laboratory animals are contained in the bill this year, as they were last year.

Mr. HOLLAND. Mr. President, my answer is as follows: Last year the line amount was \$300,000. The conference report provided that up to \$1,200,000 could be used for that purpose, and provided that any amount above the \$300,000 could be found in lower priority work and transformed to this item.

In the last 4 months of fiscal 1968, the program has been increased to a size that will require an additional amount of \$300,000 to operate it through fiscal 1969. A letter from the department shows that, and the amount has been increased accordingly. Our bill provides an amount of \$607,800, which will enable the carrying out of this effort on exactly the same level as it has operated in the last quarter or fiscal year 1968.

Mr. MONRONEY. I thank the distinguished chairman for this information. This is one of the best expenditures, I believe, of public money that we make in any bill. By the careful supervision the committee has given it, and by insistence on the use of enough men to fulfill the requirements, we have made great strides toward humane care and the elimination of untold, unprecedented cruelty that formerly went on in countless laboratories throughout the country.

The use of the veterinarians of the Department of Agriculture to do this job has been indeed a credit to the Department and a credit to their diligence, and justifies the faith the distinguished members of the committee have had in seeing that the program was not starved to death, and seeing that the enemies of the program did not sabotage it by turning the supervision of the quarters and the conditions in which these animals live over to the very men who are conducting the experiments, and have had no interest, in the past, in their humane care.

So I thank the distinguished committee members for this very great forward step in eliminating cruelty and advancing the cause of humane care and treatment of the animals that contribute so much in giving their lives for medical research.

Mr. HOLLAND. Mr. President, in behalf of the committee I thank my distinguished friend. I want the RECORD to show that we all know of his continuing interest in this very highly worthy objective.

The PRESIDING OFFICER. The bill having been read the third time the question is, Shall it pass?

The bill (H.R. 16913) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. RUSSELL, Mr. STENNIS, Mr. ELLENDER, Mr. HRUSKA, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, it is always a pleasure to be able to witness the handling of a measure when the task is performed by the senior Senator from Florida [Mr. HOLLAND]. He is truly not exceeded in ability, in persuasiveness, in generally the high caliber of the effort that is applied to such a job. Through the years Senator HOLLAND has contributed immensely to the betterment of this Nation. In the field of agriculture he has excelled. The passage of the Agriculture appropriations measure for 1969 simply adds another outstanding achievement to his already abundant record.

Joining Senator HOLLAND was the senior Senator from Nebraska [Mr.

HRUSKA], the ranking minority member of the Appropriations Subcommittee. Senator HRUSKA, like Senator HOLLAND, has consistently applied his broad knowledge and abiding dedication to the achievement of agriculture funding measures that serve well to enhance the status of the Nation's farmers. We are in his debt.

Also to be singled out for their deep interest and splendid contributions to the consideration of this measure were the Senators from Delaware [Mr. WILLIAMS] and Michigan [Mr. HART]. They offered their own strong and sincere views on some of the features of our agriculture program. They offered amendments. And they are to be commended. The same may be said of the Senator from New York [Mr. JAVITS], the Senator from North Dakota [Mr. YOUNG], and the many others who participated in the discussion.

The Senator may be proud of another fine accomplishment toward the improvement of our agricultural community.

REVIEW OF U.S. GOVERNMENT OPERATIONS IN SOUTH ASIA

Mr. ELLENDER. Mr. President, Senators will find on their desks a copy of Senate Document No. 18 of the 90th Congress, second session, which is the report of my findings on our U.S. Government operations in the countries of south Asia. As in the past, this inspection tour of our operations in this area of the world was made at the direction of the Senate Appropriations Committee, of which I am a member. It was my purpose to observe and evaluate our many governmental programs in the area, as well as our Embassy and consulate facilities, and then make known my findings and recommendations to the Appropriations Committee of the Senate, to the Congress, and to the American people.

The material dealt with in this report was gathered by me between November 23 of last year, when I left the United States and December 24, when I returned to this country. The report discusses and analyzes the operations of our embassies, the service attachés, our U.S. Information Agency, agricultural attachés, the military assistance program, the Peace Corps, and the Agency for International Development, as well as other miscellaneous missions which we are maintaining in that area of the world.

It was my intention to be as comprehensive and objective as possible and to visit and inspect every activity I possibly could within the time allotted. During the month devoted to my tour, I was able to spend several days in each of the countries of south Asia. These included Iran, Afghanistan, East and West Pakistan, India, Nepal, Burma, and Ceylon. Because of its importance in terms of geography, population, and potential, I devoted much of my time to India, and fortunately was able to tour by motorcar, as well as by air, much of this very large country.

Because of the cooperation extended by the State Department and our other officials in the field, I was able to inspect

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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For actions of June 24, 1968
90th-2nd; No. 108

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HIGHLIGHTS: House conferees appointed on agricultural appropriation bill. Senate passed bill to lease tobacco allotments without clearance. Senate passed foot-and-mouth disease bill. Senate committee voted to report highway authorization bill.

HOUSE

1. APPROPRIATIONS. Conferees were appointed on H. R. 16913, the agriculture appropriation bill (p. H5336). Senate conferees have been appointed.

At the request of Rep. Mahon permission was granted to consider a continuing resolution on Wed. p. H5336

2. CREDIT UNIONS. Concurred in Senate amendments to H. R. 14907, to amend the Federal Credit Union Act to increase the time ceiling on secured loans from 5 to 10 years; increase the unsecured loan limit up to \$2,500; permit investment

in the shares of State central credit unions; permit the purchase of the notes of liquidating credit unions; permit the delegation of borrowing authority; require semi-annual instead of quarterly audits; and authorize the Bureau of Federal Credit Unions to conduct consumer credit counseling programs for low income persons (p. H5337). This bill will now be sent to the President.

3. EXPORT-IMPORT BANK. Concurred in Senate amendments to H. R. 16162, to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States (pp. H5337-8). This bill will now be sent to the President.
4. WEIGHTS AND MEASURES. Passed, 269-42, with amendments H. R. 3136, to authorize the Secretary of Commerce to conduct an investigation to determine the impact of the increasing worldwide use of the metric system on the United States and to appraise the desirability and practicability of increasing the use of metric weights and measures in the United States. pp. H5341-58
5. WILDLIFE. Passed as reported S. 322, to discourage the transfer of acquired lands within the national wildlife refuge system (pp. H5346-7, H5358-60). The committee report states if lands are disposed of the bill "also has as its purpose to reimburse the migratory bird conservation fund for the fair value of such lands so that replacement habitat may be acquired."
6. REPORTS. Received from the Government Operations Committee three reports, "Foreign Research Dollar Drain" (H. Rept. 1578), "The Critical Need for a National Inventory of Industrial Wastes (Water Pollution Control and Abatement)" (H. Rept. 1579), and "The Uninsured Government Contractor" (H. Rept. 1580). p. H5384
7. POVERTY. Rep. Berry called attention to the "real pockets of poverty...which are on the Indian reservations of America." pp. H5363-4
8. MEDICARE. Received from HEW the first annual report on the medicare program (H. Doc. 331). p. H5384

SENATE

9. WILDLIFE. Passed as reported H. R. 15979, to amend the Act of August 1, 1958, in order to prevent or minimize injury to fish and wildlife from the use of insecticides, herbicides, fungicides, and pesticides. The committee report states that the bill would "continue the comprehensive continuing study of the effects of pesticides upon fish and wildlife resources...by authorizing annual appropriations under that act not to exceed \$3,500,000 in each of fiscal years 1969, 1970, and 1971." pp. S7597-99
10. FLAG. Passed as reported H. R. 10480, to prohibit desecration of the flag. pp. S7599-7600



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No. 108

House of Representatives

The House met at 12 o'clock noon.

Rev. Father Francis J. Fox, Society of Jesus, librarian of Brophy College Preparatory, Phoenix, Ariz., offered the following prayer:

Lord, God all-powerful, we are grateful that You have brought us to the beginning of this day. By Your power, aid us in the practice of virtues, particularly those of justice and love; keep us on the road to salvation that we may not offend You today; but grant that all our words, all our thoughts, and our actions may be in conformity with Your law and Your commandments. This we ask of You through Your Son, our Lord, Jesus Christ, who lives and reigns with You in union with the Holy Spirit, God, forever. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, June 20, 1968, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 18, 1968:

H.R. 11308. An act to amend the National Foundation on the Arts and the Humanities Act of 1965;

H.R. 16674. An act to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, to improve the capitalization of Federal intermediate credit banks and production credit associations, and for other purposes; and

H.R. 17325. An act to amend the Internal Revenue Code of 1954 with respect to advertising in a convention program of a national political convention.

On June 19, 1968:

H.R. 5037. An act to assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government, and for other purposes;

H.R. 16489. An act making appropriations for the Treasury and Post Office Departments,

the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1969, and for other purposes;

H.R. 16911. An act to provide for U.S. participation in the facility based on special drawing rights in the International Monetary Fund, and for other purposes; and

H.J. Res. 1298. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1968, and for other purposes.

On June 20, 1968:

H.R. 4919. An act to amend the act of August 9, 1955, to authorize longer term leases of Indian lands on the Hualapai Reservation in Arizona;

H.R. 13154. An act for the relief of Dr. Santiago Jose Manuel Ramon Bienvenido Roig y Garcia;

H.R. 13912. An act for the relief of Angeliki Giannakou; and

H.R. 15972. An act to permit black and white or color reproductions of United States and foreign postage stamps under certain circumstances, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 171. An act for the relief of Timothy Joseph Shea and Elsie Annet Shea;

S. 1028. An act to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes;

S. 3159. An act authorizing the Trustees of the National Gallery of Art to construct a building or buildings on the site bounded by Fourth Street, Pennsylvania Avenue, Third Street, and Madison Drive Northwest, in the District of Columbia, and making provision for the maintenance thereof; and

S. 3363. An act to designate the U.S. Customs House Building in Providence, R.I., as the "John E. Fogarty Federal Building."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 222) entitled "An act to insure that public buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped," requests a conference with the House on the disagreeing votes of the two Houses

thereon, and appoints Mr. RANDOLPH, Mr. JORDAN of North Carolina, Mr. INOUE, Mr. FONG, and Mr. BOGGS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2986) entitled "An act to extend Public Law 480, 83d Congress, for 3 years, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. EASTLAND, Mr. TALMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. BOGGS to be the conferees on the part of the Senate.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 21, 1968.

The Honorable, the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on June 20, 1968, the Clerk received from the Secretary of the Senate today the following message:

That the Senate agree to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15414) entitled "An Act to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations."

Respectfully yours,

W. PAT JENNINGS,
Clerk, U.S. House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, June 20, 1968, he did on June 21, 1968, sign the following enrolled bill of the House and joint resolution of the Senate: H.R. 15414 and Senate Joint Resolution 180.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that on Wednesday, June 19,

1968, he signed the enrolled bill, H.R. 4566, an act for the relief of Mary F. Thomas.

Through accident or oversight, this fact failed to be noted in either the RECORD or the Journal.

Without objection, the RECORD and Journal of June 19 will be amended to reflect the Speaker's action.

There was no objection.

FATHER FRANCIS J. FOX

(Mr. RHODES of Arizona asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Speaker, it was my honor and privilege today to have in the Chamber to offer the prayer, Rev. Francis J. Fox, librarian of Brophy College Preparatory High School in Phoenix, Ariz.

Father Fox is one of the better known and more respected educators in my district. He has shown great zeal and great ingenuity in putting together at Brophy a really first-class library for students of preparatory high school age.

Father Fox is an archivist. He has become interested in the history of the United States in general and the history of the Southwest in particular largely through his devotion to the memory of Father Kino. Father Kino, as you will remember, was the pioneer priest who built missions and preached among the Indian inhabitants of the Southwest. His statue is in the Statuary Hall collection of the Capitol Building, being one of the two statues of citizens of the State of Arizona displayed in this building. Father Fox probably knows as much about Father Kino's life and works as does any living person.

Father Fox is also the archivist of the Catholic diocese of Tucson, by appointment of the most Reverend Francis J. Green, bishop, of Tucson.

It has been a real pleasure and privilege for me to welcome Father Fox as the first constituent I have ever had in my 16 years as a Member of the House of Representatives to offer the opening prayer.

MAKING IN ORDER CONSIDERATION OF A CONTINUING RESOLUTION WEDNESDAY NEXT OR THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order for the House to consider a continuing resolution on Wednesday next or any day thereafter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. JONAS. Mr. Speaker, reserving the right to object, and I shall not object, the distinguished chairman of the committee, the gentleman from Texas, has discussed this with me and with members of the full Committee on Appropriations. This is in accord with the will of the full committee and there is no objection on this side.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORRECTION OF THE RECORD

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to correct the RECORD. On Thursday, June 20, 1968, I addressed the House pointing out that the Congress should make such reductions as are necessary instead of directing such reduction at the will of the Bureau of the Budget. I pointed out that last year this House adopted a motion which I offered reducing congressional fixed appropriations, with certain exceptions necessary to the country's welfare, by between \$6 and \$7 billion, and reduce personnel. The vote in favor of my motion was 239 for and 164 against. This vote shows in the CONGRESSIONAL RECORD for April 18, 1968, pages H13617 through H13620.

The Senate would not take up such resolution and finally we agreed on a compromise which made a \$3 billion reduction and reducing personnel. This was adopted by a vote of 247 to 149.

Mr. Speaker, in the debate on Thursday, June 20, 1968, in presenting my argument for the House of Representatives to accept its responsibility instead of placing the obligation on the authority with the President and the Bureau of the Budget, in next to the last paragraph, seventh line of the first column, I used the "\$6 billion." The RECORD erroneously shows "\$1 billion." I ask that the RECORD be corrected to show "\$6 billion."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 16913, DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1969

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, NATCHER, HULL, MORRIS of New Mexico, SHIPLEY, MAHON, MICHEL, LANGEN, HARRISON, and JONAS.

THIS ACTION THE NATION WILL APPLAUD

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, the action of Federal authorities in removing the

marchers from the Mall is indeed heartening. More than that, it is essential to the maintenance of confidence in the democratic processes of government in our country. Had the marchers been allowed to remain, they would have been trespassers who claimed privileges not accorded to other citizens. Very clearly they would have been in violation of the law—some of them defiantly so. The law is for everyone. As citizens, we are not given the right to pick and choose the laws we shall obey. Law violators must be held accountable or no one will see a need to obey the law. If no one obeys the law there is anarchy; injustice flourishes, democracy fails. No one respects a government which allows the processes of law to become a mockery. Already we have gone too far in that direction.

Today the U.S. Government has taken a long-needed step. I hope this shows our Nation intends all citizens shall obey the law equally. Failure to do this would show that this great proud Nation is ready to accept mob rule. Any official who supports or tolerates such a situation would be untrue to his country, to his responsibility, and to his oath of office.

There is sympathy, of course, for the poor and the handicapped of our country. This has been demonstrated time and again. It also has been demonstrated that the laws and customs of the United States provide ample opportunity for the correction of injustice. History records that our Nation has done more to provide opportunity for those who seek it than any other country; that it has done more to relieve injustice, more to assist the unfortunate, more to help the needy than has any other nation. This being the case, we cannot tolerate change by violence or through intimidation by mobs or through the efforts of organized leftist groups. We cannot accept marches and demonstrations when they encourage acts of terror and threaten the lives and property of the people. Let us hope that today's badly needed policy will be followed elsewhere when occasion demands, as it surely will.

FIGHT TO WIN OR GET OUT

(Mr. ANDREWS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS of Alabama. Mr. Speaker, last Saturday the Vietnam war became the longest in the history of this Nation—longer than the Revolutionary War, the War Between the States, World War I, World War II, and the Korean war. I think it is generally conceded that our present enemy is the weakest and smallest country we have ever engaged in war, and the fact that the war against the weakest enemy has lasted longer than any other war in our history convinces me that we are not fighting this war to win. I beg and plead with the President to get out of there if you are not fighting to win. I am sick and tired and broken-hearted at reading a casualty list each week of young Americans ranging between 300 and 500 each week. Please—

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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For actions of July 11, 1968
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HIGHLIGHTS: House Rules Committee cleared food stamp bill. House committee reported bill to establish Commission on Hunger. House committee reported bill to implement International Coffee Agreement. Senate committee reported farm bill. Senate passed grain inspection bill. Both Houses agreed to conference report on Interior appropriation bill.

HOUSE

1. FOOD STAMPS. The Rules Committee reported a resolution for the consideration of H. R. 18249, the food stamp bill. p. H6435
2. HUNGER. The Education and Labor Committee reported with amendment H. R. 17144, to establish a Commission on Hunger (H. Rept. 1708). p. H6435
3. COFFEE. The Ways and Means Committee reported with amendment H. R. 18299, to carry out the obligations of the U. S. under the International Coffee Agreement, 1968 (H. Rept. 1704). p. H6435

4. EDUCATION. The Rules Committee reported a resolution for the consideration of H. R. 15067, the Higher Education Act amendments. p. H6435
5. PUBLIC WORKS. The Public Works Committee reported with amendment S. 3710, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control (H. Rept. 1709). p. H6435
6. APPROPRIATIONS. The conferees on H. R. 16913, the agricultural appropriation bill, were given until midnight, July 12, to file a report. p. H6323
Conferees were appointed on H. R. 18038, the legislative branch appropriation bill (p. H6324). Senate conferees have been appointed.
7. BUILDINGS. Conferees were appointed on S. 222, to insure that public buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped (p. H6330). Senate conferees have been appointed.
8. HIGHWAYS. Conferees were appointed on S. 3418, the highway authorization bill (p. H6331). Senate conferees have been appointed.
9. WATERSHEDS. The Agriculture Committee approved plans for works of improvement on several watershed projects. p. D668
10. TRADE FAIRS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 18340, amended, to provide for the continuation of authority to develop American-flag carriers and promote the foreign commerce of the U.S. through the use of mobile trade fairs. p. D668
11. PEACH FESTIVAL. Rep. Edmondson invited his colleagues to attend the annual Porter (Okla.) Peach Festival on Aug. 3. p. H6324
12. EMPLOYMENT. Rep. Findley discussed his proposed amendment to the Employment Act of 1946 which he stated "would make the Employment Act more explicit on the matter of full employment and price stability" and "update the intent of Congress on matters concerning the conduct of national policy, and to give price stability the priority it deserves." pp. H6410-14
13. LEGISLATIVE PROGRAM. Rep. Albert announced that the first order of business on Fri. will be the conference report on the Public Law 480 amendments. p. H6405

SENATE

14. FARM PROGRAM. The Agriculture and Forestry Committee reported with amendments S. 3590, to extend and improve legislation for maintaining farm income, stabilizing prices and assuring adequate supplies of agricultural commodities (S. Rept. 1378). p. S8423
15. LANDS. The Agriculture and Forestry Committee reported without amendment S. 3687, to direct the Secretary of Agriculture to release on behalf of the United States a condition in a deed conveying certain lands to the State of Ohio (S. Rept. 1379), and with amendment S. 3578, to direct the Secretary of Agriculture to release on behalf of the United States a condition in a deed conveying certain



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House of Representatives

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch,
D.D., offered the following prayer:

*Let Thy work appear unto Thy servants
and Thy glory unto their children.*

—Psalm 90: 16.

O God and Father of us all, from the tumult of a troubled world and the demands of a disturbing day we would seek the quiet of Thy presence, not to evade our responsibilities, not to escape our duties but to turn to the tasks of this time with strong spirits, wise minds, and gentle hearts.

Dwelling in the secret place of the Most High and under the shadow of Thy spirit may we be given wisdom to make wise decisions, strength to carry heavy burdens, insight to see clearly, and courage to walk in Thy way as the wards of our wonderful country.

"Lord of the nations, thus to Thee
Our country we commend;
Be Thou her refuge and her strength,
Her everlasting friend,
Both now and forevermore."

Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 4739. An act to authorize the Secretary of the Interior to grant long-term leases with respect to lands in the El Portal administrative site adjacent to Yosemite National Park, Calif., and for other purposes;

H.R. 13402. An act authorizing the use of certain buildings in the District of Columbia for chancery purposes;

H.R. 15562. An act to extend the expiration date of the act of September 19, 1966; and

H.R. 16965. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in deeds conveying certain lands to the State of Iowa, and for other purposes.

The message also announced that the Senate agrees to the amendments of the

House to a bill of the Senate of the following title:

S. 3102. An act to postpone for 2 years the date on which passenger vessels operating solely on the inland rivers and waterways must comply with certain safety standards.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2445. An act to amend part I of the Federal Power Act to clarify the manner in which the licensing authority of the Commission and the right of the United States to take over a project or projects upon or after the expiration of any license shall be exercised;

S. 3206. An act to amend the Federal Water Pollution Control Act, as amended, relating to the construction of waste treatment works, and for other purposes;

S. 3343. An act to designate certain lands in the Pelican Island National Wildlife Refuge, Indian River County, Fla., as wilderness;

S. 3379. An act to designate certain lands in the Great Swamp National Wildlife Refuge, Morris County, N.J., as wilderness;

S. 3425. An act to designate certain lands in the Monomoy National Wildlife Refuge, Barnstable County, Mass., as wilderness;

S. 3495. An act to authorize the Secretary of the Army to modify certain use restrictions on a tract of land in the State of Iowa in order that such land may be used as a site for the construction of buildings or other improvements for the Iowa Law Enforcement Academy;

S. 3502. An act to designate certain lands in the Seney, Huron Islands, and Michigan Islands National Wildlife Refuges in Michigan, the Gravel Island, and Green Bay National Wildlife Refuges in Wisconsin, and the Moosehorn National Wildlife Refuge in Maine, as wilderness; and

S. 3638. An act to extend for 3 years the authority of the Secretary of Agriculture to make indemnity payments to dairy farmers for milk required to be withheld from commercial markets because it contains residues of chemicals registered and approved for use by the Federal Government.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 16913, AGRICULTURAL APPROPRIATIONS, 1969, UNTIL MIDNIGHT, JULY 12

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight Friday, July 12, to file a con-

ference report on H.R. 16913, the 1969 agricultural appropriation bill, and that the report be printed in the RECORD notwithstanding the adjournment of the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HALL. Mr. Speaker, reserving the right to object, may I inquire of the distinguished chairman of the subcommittee and of the managers on the part of the House, has the conference met and is the report ready for printing?

Mr. WHITTEN. No. The conference has met and it meets again tomorrow. May I say to the gentleman, I may be optimistic in getting this permission, but in case we should get together, we would like to go ahead and do it as quickly as we can.

This has been cleared by my colleagues on the subcommittee on the gentleman's side.

Mr. HALL. Mr. Speaker, as I understand it, it is the plan of the House to meet tomorrow, and at that time permission could be obtained if the work of the conference would be completed then. Is that not correct?

Mr. WHITTEN. Yes. I was anticipating, not being on the floor all the time, that in case the House should go over to Monday, I might be caught without having gotten this permission. I thought I would get the permission as a hedge, so it would keep me from having to be on the floor all the time, and I would have it in case I need it.

Mr. HALL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON INDIAN AFFAIRS, COMMITTEE ON INTERIOR AND INSULAR AF- FAIRS, TO SIT DURING GENERAL DEBATE TODAY

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

THREAT TO SECURITY IN AIR TRAVEL

(Mr. VANIK asked and was given permission to address the House for 1 minute.)

Mr. VANIK. Mr. Speaker, I was shocked to learn that, as a result of the personnel cutback directed by the conference report on the surtax bill, vital personnel who monitor the movement of air traffic in the Federal Aviation Administration will be reduced by 2,400 employees at the very time that air traffic is increasing at an annual rate of over 15 percent. As a result of this policy, commercial aircraft is being directed to stack up all over America waiting clearance for landing.

It is my understanding that 10 days ago the airspace as far off as Utah was filled with aircraft, some of which was awaiting clearance for landing at Kennedy Airport in New York. The stacking of aircraft exposes every air traveler to a grave and unnecessary hazard. One misdirected aircraft, one human error could compound into a chilling disaster.

I do not believe that the American people would approve of this threat to their security in air travel. Congress must recant and pass legislation this session to insure the safety of our airways.

AN INVITATION TO OKLAHOMA FOR PORTER'S PEACH FESTIVAL

(Mr. EDMONDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, I would like to invite all of my colleagues to come to Porter, Okla., on August 3 for a pleasant and unusual annual event. Once again, the Porter Peach Festival will be held, and the folks in that area are going to prove that Porter is the peach capital of Oklahoma—with the finest peaches in the country.

Porter not only promises the best peaches, but a wonderful time for all. As with all great festivals, a little time will be taken out to find the fairest of them all, and you can be sure that the young lady who is selected "Miss Peach" will be a lovely queen in the finest tradition of Oklahoma beauties.

A lot of time has been devoted, along with a lot of care, to make these peaches the best. Porter historians tell us that peaches came to this area in 1890, when settlers first gazed along the broad, flat Arkansas River bottomlands at "Pretty Porter, Creek Nation, Indian Territory." Since then, Porter has cultivated the tastiest peach in the world, with fine orchards dating back to 1913.

Mr. Speaker, come on down to Porter, Okla., and see it for yourself. You will be singing the praises of this peach capital and this wonderful festival until you go back for the next one in 1969.

POVERTY AND LACK OF JOBS AND INCENTIVES ON INDIAN RESERVATIONS

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, some interest has developed over poverty and lack of jobs and incentives on Indian reservations as a result of my calling this problem to the attention of the House on a number of occasions.

I want to repeat and repeat and repeat the fact that there is no poverty anywhere as drastic as that on the Indian reservations in the United States.

Congress is appropriating a half billion dollars each year for the operation of the Bureau of Indian Affairs and for funds through OEO, education, housing and what not, but they fail to realize that this is not the answer to the problem.

Government handouts and Government spending cannot solve the Indian problem. It can only be done through jobs, salaries, income, and the individual initiative that comes to the individual as a result of being able to earn his own living.

PROGRAM INFORMATION ACT

(Mr. KLEPPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLEPPE. Mr. Speaker, I am today introducing for reference to the appropriate committee a bill entitled the "Program Information Act," the purpose of which is to create a catalog of Federal assistance programs.

This bill is similar to that introduced earlier by the gentleman from Delaware, WILLIAM V. ROTH, JR., and others. I wish to commend him for the enormous job he undertook in compiling his catalog, and in the legislation he has proposed as a result of that study.

The bill would require the President to publish a comprehensive compendium of Federal assistance programs yearly, and to update the compendium monthly. Annual recommendations on simplifying and consolidating program guidelines and access requirements are also required of the President.

A number of benefits would result from passage of this bill. It would give Congress a meaningful tool to use in determining the worth of the various Federal programs already in operation. Such a tool is of vital necessity in allocating priorities of the Federal Government. It would also give us a good guideline for use in assessing the value of programs proposed for the future.

Mr. Speaker, a common request that I receive from people throughout my district is for information on Federal assistance programs that may be of some help to them. The answer to that question often requires a long and tedious search, and one can never be sure that he has covered the entire field, simply because there are so many programs available. It is high time we had some

concise and indexed catalog of programs of Federal assistance in one place. The catalogs now available do not accomplish this. The bill I introduce today would go a long way in answering the need for such a catalog.

APPOINTMENT OF CONFEREES ON H.R. 18038, LEGISLATIVE BRANCH APPROPRIATIONS, 1969

Mr. ANDREWS of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 18038) making appropriations for the legislative branch for the fiscal year ending June 30, 1969, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? The Chair hears none, and appoints the following conferees: Messrs. ANDREWS of Alabama, STEED, KIRWAN, YATES, CASEY, MAHON, LANGEN, REIFEL, ANDREWS of North Dakota, WYMAN, and BOW.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1969—CONFERENCE REPORT

Mrs. HANSEN of Washington. Mr. Speaker, I call up the conference report on the bill (H.R. 17354) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1969, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 10, 1968.)

Mrs. HANSEN of Washington (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The SPEAKER. The gentlewoman from Washington is recognized for 1 hour.

Mrs. HANSEN of Washington. Mr. Speaker, I yield myself such time as I may consume.

(Mrs. HANSEN of Washington asked and was given permission to revise and extend her remarks and to include miscellaneous tables.)

Mrs. HANSEN of Washington. Mr. Speaker, I believe the conference report rather completely describes the conference action taken on H.R. 17354, making appropriations for the Department of the Interior and related agencies for fiscal year 1969. However, I think it would

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HIGHLIGHTS: House received conference report on agricultural appropriation bill.
Senate agreed to housing conference report. House received conference report on road
authorization bill. Senate committee voted to report foreign aid authorization bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Received the conference report on this bill, H. R. 16913 (H. Rept. 1794) (pp. H7479-82). The conference committee added to the bill a provision for a \$45 million special feeding program to be financed from Sec. 32 funds. Attached to this Digest is a table reflecting the changes agreed upon.

2. LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 4530, to amend the act relating to the issuance of patents for lands held under color of title and to liberalize the requirements for the conveyance of the mineral estate (H. Rept. 1790), and with amendment H. R. 13797, to authorize the sale of certain public lands (H. Rept. 1791). p. H7624
The Agriculture Committee voted to report (but did not actually report) H. R. 18033, to direct the Secretary of Agriculture to release on behalf of the U. S. a condition in a deed conveying certain lands to Ohio, and H. R. 18207, to direct the Secretary of Agriculture to release a condition in a deed conveying certain lands to the S. C. Commission of Forestry so as to permit such Commission to exchange such lands. p. D742
3. AGING. The Education and Labor Committee reported with amendment H. J. Res. 1371, favoring a White House Conference on Aging (H. Rept. 1792). p. H7624
4. INFORMATION. The Government Operations Committee reported without amendment S. 2060, to extend for 10 years the authorization to make appropriations for allocations and grants for the collection and publication of documentary sources significant to U. S. history (H. Rept. 1797). p. H7624
5. EDUCATION. Passed with amendment S. 3769, the proposed Higher Education Amendments of 1968 (pp. H7486-542). Agreed to an amendment to substitute the language of a similar bill, H. R. 15067, which was passed earlier, 389-15, with amendments. A motion by Rep. Utt to recommit the House bill was rejected (p. H7528). H.R. 15067 was tabled (p. H7541).
6. PARKING FACILITIES. The D. C. Committee voted to report (but did not actually report) H. R. 17854, to authorize a program to provide for the construction of parking facilities in D. C. for Government employees and visitors to the District. p. D742
7. RECREATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee action H. R. 14735, to establish the Gulf Islands National Seashore, Fla., Ala., La. and Miss., and H. R. 18333, to study the desirability of establishing an Upper Mississippi Valley National Recreation Area, Ill. and Minn. p. D742
Rep. Sikes commended the bill to implement conservation programs on military reservations which he stated is intended to provide better recreational facilities for every person in the military. p. H7483
8. POVERTY. Rep. Waggoner inserted excerpts from GAO reports showing certain "gross misuses of Federal funds" in the poverty program. p. H7569
Rep. Berry stated "the Federal Government is deliberately keeping the reservation area Indian a third- or fourth-class citizen, because it refuses to provide a tax incentive to industry locating on these remote reservations to offset...transportation differences." p. H7483
9. IRRADIATED FOOD. Rep. Saylor stated FDA's order "to take irradiated bacon out of Army and Air Force mess halls is further testimony of the need for an investigation of the Atomic Energy Commission's programs." p. H7565

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET
ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and Item	1969 New (Obligational) Authority				
	New budget : (obligational) : authority, fiscal: : year 1968 (en- : acted to date) 1	Budget estimates:	House bill	Senate bill	Conference Report
GENERAL ACTIVITIES:					
Agricultural Research Service, salaries and expenses:					
Research:					
Direct appropriation	\$129,094,200	\$136,273,100	\$125,972,500	\$131,950,600	\$129,118,300
Transfer from sec. 32 ²	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Plant and animal disease and pest control	87,615,300	88,647,500	85,298,500	88,239,500	86,639,500
Special fund (reappropria- tion)	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Salaries and expenses (special foreign currency program) ...	8,500,000	12,700,000	4,500,000	4,500,000	4,500,000
Cooperative State Research Service: Payments and expenses	58,958,000	62,179,000	58,958,000	61,125,000	59,105,000
Extension Service: Payments to States and Puerto Rico: Retirement costs for extension agents	78,532,500 8,818,500	81,917,500 9,333,500	78,532,500 8,818,500	81,917,500 9,333,500	81,532,500 9,318,500

Agency and Item	1969 New (Obligational) Authority				Conference Report
	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹	Budget estimates	House bill	Senate bill	
GENERAL ACTIVITIES - Continued					
Extension Service-Continued					
Penalty mail	\$ 3,299,000	\$ 3,500,000	\$ 3,299,000	\$ 3,299,000	\$ 3,299,000
Federal Extension Service	2,838,000	2,878,000	2,838,000	2,838,000	2,838,000
Farmer Cooperative Service	1,341,000	1,848,000	1,341,000	1,341,000	1,341,000
Soil Conservation Service:					
Conservation operations	114,975,000	116,313,000	114,893,000	114,893,000	114,893,000
Watershed planning	6,192,000	6,224,000	6,165,000	6,165,000	6,165,000
River basin surveys and investigations	)	)	)	)	)
Works of improvement	70,403,000	42,148,000	65,000,000	8,780,000	8,780,000
Flood prevention	25,753,000	12,395,000	20,000,000	57,907,000	57,220,000
Great Plains conservation program	16,336,000	13,414,000	16,000,000	17,500,000	20,000,000
Resource conservation and development	6,249,000	6,474,000	6,256,000	16,000,000	16,000,000
Economic Research Service: Salaries and expenses	12,789,000	13,964,000	12,789,000	6,474,000	6,256,000
Statistical Reporting Service:					
Salaries and expenses	14,249,500	14,674,000	14,184,500	13,089,000	12,789,000
Consumer and Marketing Service:					
Consumer protective, marketing, and regulatory programs	95,493,000	119,846,000	118,989,500	14,467,500	14,326,000
Payments to States and possessions:	1,750,000	1,750,000	1,750,000	116,314,500	116,264,500
Special milk program: Transfer from sec. 322	(104,000,000)	(104,000,000)	(104,000,000)	1,750,000	1,750,000
School lunch program:				(104,000,000)	(104,000,000)
Direct appropriation	177,897,000	184,443,000	182,825,000	177,849,000	178,474,000

Agency and Item	1969 New (Obligational) Authority					Conference Report
	New budget (obligational)	House bill	Senate bill	Budget estimates		
	authority, fiscal year 1968 (enacted to date) 1					
GENERAL ACTIVITIES-Continued						
Consumer and Marketing Service-Con.						
School lunch program: Continued						
Transfer from sec. 32 2/.....	(\$45,000,000)	(\$64,325,000)	(\$64,325,000)	(\$64,325,000)	(\$64,325,000)	(\$64,325,000)
Spec.feeding program;from sec. 32	- -	- -	- -	- -	- -	45,000,000)
Food stamp program:						
Direct appropriation	161,800,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Reappropriation	23,200,000	- -	- -	- -	- -	- -
Foreign Agricultural Service:						
Salaries and expenses 2/.....	21,154,500	22,414,500	21,153,800	22,414,500	21,928,800	21,541,300
Transfer from sec. 32 2/	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)
Allotment from CCC	(2,012,175)	(2,107,000)	(2,012,175)	(2,107,000)	(2,012,175)	(2,012,175)
Commodity Exchange Authority	1,560,000	1,584,000	1,530,000	1,584,000	1,530,000	1,530,000
Agricultural Stabilization and Conservation Service:						
Expenses, ASCS:						
Direct appropriation	140,331,400	143,933,700	141,031,400	143,933,700	141,031,400	141,031,400
Transfer from CCC	(58,608,600)	(62,764,100)	(62,764,100)	(62,764,100)	(62,764,100)	(62,764,100)
Sugar Act program	80,000,000	82,300,000	80,000,000	82,300,000	82,000,000	82,000,000
Agricultural conservation program:						
Advance authorization for 1969 program (contract authorization)	220,000,000	100,000,000	220,000,000	100,000,000	195,500,000	195,500,000
Liquidation of contract authorization	(220,000,000)	(195,500,000)	(190,000,000)	(195,500,000)	(190,000,000)	(190,000,000)

Agency and Item	1969 New (Obligational) Authority				Conference Report
	New budget (obligational) authority, fiscal: year 1968 (enacted to date) ¹	Budget estimates:	House bill	Senate bill	
GENERAL ACTIVITIES-Continued					
Agricultural Stabilization and Conservation Service-Continued					
Cropland adjustment program	\$84,500,000	\$85,700,000	\$84,500,000	\$85,700,000	\$84,500,000
Limitation on authorization for: 1969 program	- -	(55,500,000)	- -	(30,500,000)	- -
Conservation reserve program	123,000,000	109,500,000	109,000,000	109,000,000	109,000,000
Emergency conservation measures	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Rural Community Development Service	450,000	469,000	463,000	463,000	463,000
Office of Inspector General	12,146,000	12,867,000	12,276,000	12,576,000	12,426,000
Packers and Stockyards Administration	2,640,300	3,166,000	2,565,300	3,065,300	2,815,300
Office of General Counsel	4,486,000	5,033,000	4,461,000	4,761,000	4,611,000
Office of Information	1,965,000	1,997,000	1,965,000	1,997,000	1,997,000
National Agricultural Library	2,638,500	3,419,000	3,166,500	3,419,000	3,292,750
Office of Management Services	2,746,000	2,910,000	2,821,000	2,862,200	2,841,600
General Administration	4,598,000	4,664,000	4,614,000	4,614,000	4,614,000
Total new budget (obligational) authority, general activities	1,815,298,700	1,740,878,800	1,847,957,000	1,836,180,800	1,828,772,650

1969 New (Obligational) Authority					
Agency and Item	New budget (obligational) authority, fiscal year 1968 (en- acted to date) ¹	Budget estimates:	House bill	Senate bill	Conference Report
CREDIT AGENCIES:					
Rural Electrification Administra- tion:					
Loan authorizations:					
Electrification	\$314,000,000	\$304,000,000	\$304,000,000	\$329,000,000	\$329,000,000
Telephone	120,600,000	120,000,000	120,000,000	120,000,000	120,000,000
Total loans (authorization to spend debt receipts) ..	434,600,000	424,000,000	424,000,000	449,000,000	449,000,000
Salaries and expenses	12,705,000	12,937,000	12,805,000	12,805,000	12,805,000
Farmers Home Administration:					
Direct loan account:(limitations)					
Real estate loans	(110,000,000)	(83,000,000)	(83,000,000)	(83,000,000)	(83,000,000)
Operating loans	(300,000,000)	(250,000,000)	(250,000,000)	(300,000,000)	(275,000,000)
Soil Conservation loans	(7,500,000)	(4,900,000)	(4,900,000)	(4,900,000)	(4,900,000)
Rural housing direct loans	(15,000,000)	(30,000,000)	(15,000,000)	(30,000,000)	(30,000,000)
Participation sales authorization (authorization to spend agency debt receipts)	750,000,000	425,000,000	- -	- -	- -
Payment of participation sales insufficiencies	13,268,000	- -	(4)	(4)	(4)
Rural water and waste disposal grants	28,000,000	27,250,000	28,000,000	28,000,000	28,000,000
Rural renewal	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000

Agency and Item	1969 New (Obligational) Authority				Conference Report
	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹	Budget estimates:	House bill	Senate bill	
CREDIT AGENCIES-Continued					
Farmers Home Administration-Con.					
Rural housing for domestic farm labor	\$3,500,000	\$5,000,000	\$3,500,000	\$5,000,000	\$ 4,250,000
Salaries and expenses:					
Direct appropriation	57,518,000	59,132,000	57,641,000	58,319,000	57,980,000
Transfer from ACIF	(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)	(2,250,000)
Transfer from other accounts	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Total, new budget (obligational) authority, Farmers Home Administration	853,886,000	517,982,000	90,741,000	92,919,000	91,830,000
Total, credit agencies	1,301,191,000	954,919,000	527,546,000	554,724,000	553,635,000
CORPORATIONS:					
Federal Crop Insurance Corporation, administrative and operating expenses:					
Appropriation	10,489,000	12,000,000	10,487,000	12,000,000	11,243,500
Premium income	(2,850,000)	(1,430,000)	(2,850,000)	(1,430,000)	(2,140,000)
Commodity Credit Corporation:					
Contract authorization	988,860,000	- -	- -	- -	- -
Liquidating appropriation	- -	(350,467,000)	(350,467,000)	(350,467,000)	(350,467,000)
Reimbursement for net realized losses	1,400,000,000	3,298,039,000	2,837,645,500	2,837,645,500	2,837,645,500
Total, appropriation	(2,388,860,000)	(3,648,506,000)	(3,188,112,500)	(3,188,112,500)	(3,188,112,500)

Agency and Item	1969 (Obligational) Authority			
	New budget (obligational) authority, fiscal year 1968 (enacted to date) ¹	Budget estimates: House	Senate bill	Conference Report
CORPORATIONS-Continued				
Commodity Credit Corporation-Con. Limitation on administrative expenses	(\$31,500,000)	(\$31,500,000)	(\$31,500,000)	(\$31,500,000)
Public Law 480:				
Sales, title I	1,305,500,000	361,537,000	100,000,000	100,000,000
Donations, title II	300,000,000	556,606,000	200,000,000	200,000,000
Total, Public Law 480	1,605,500,000	918,143,000	300,000,000	300,000,000
Bartered materials for supplemental stockpile	23,000,000	- -	- -	- -
Total, new budget (obligational) authority, corporations	4,027,849,000	4,228,182,000	3,148,132,500	3,148,889,000
RELATED AGENCIES:				
Farm Credit Administration: Limitation on administration expenses	(3,224,000)	(3,436,000)	(3,436,000)	(3,436,000)
National Advisory Commission on Food and Fiber	175,000	- -	- -	- -
Total, Related Agencies	175,000	- -	(3,436,000)	(3,436,000)

Agency and Item	1969 New (Obligational) Authority				
	New budget (obligational)	Budget estimates	House bill	Senate bill	Conference Report
	: authority, fiscal: : year 1968 (en- : acted to date) 1	:	:	:	:
RECAPITULATION:					
General activities	1,815,298,700	1,740,878,800	1,847,957,000	1,836,180,800	1,828,772,650
Credit agencies	1,301,191,000	954,919,000	527,546,000	554,724,000	553,635,000
Corporations	4,027,849,000	4,228,182,000	3,148,132,500	3,149,645,500	3,148,889,000
Related agencies	175,000	- -	- -	- -	- -
Total, new budget (obligational) authority	7,144,513,700	6,923,979,800	5,523,635,500	5,540,550,300	5,531,296,650
Consisting of-					
1. Appropriations	4,725,853,700	5,974,979,800	4,879,635,800	4,896,050,300	4,886,796,650
2. Reappropriations	25,200,000	- -	- -	- -	- -
3. Contract authorizations	1,208,860,000	100,000,000	220,000,000	195,500,000	195,500,000
4. Authorizations to spend from debt receipts	1,184,600,000	849,000,000	424,000,000	449,000,000	449,000,000
Memoranda:					
1. Appropriations to liquidate contract authorizations	(220,000,000)	(545,967,000)	(540,467,000)	(540,467,000)	(540,467,000)
2. Appropriations, including appropriations for liquidation of contract authorizations	(4,952,945,700)	(6,520,946,800)	(5,420,102,500)	(5,436,517,300)	(5,427,263,650)
3. Transfers from sec. 32	(167,117,000)	(186,442,000)	(186,442,000)	(186,442,000)	(231,442,000)

1. Amounts have been adjusted to reflect 1968 supplementals.

2. Included in amounts for permanent new (obligational) authority.

3. Excludes \$10,000,000 provided in the Second Supplemental Appropriation Act, 1968.

4. Budget proposed indefinite appropriation, which was not allowed.

5. Differs from amount shown in report in Congressional Record by \$7,560,000 which is shown in that report as (-) minus new budget Authority. The amount actually represent prior year budget authority transferred to cover 1968 pay cost

APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES, 1969

JULY 25, 1968.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 16913]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 15, 16, 17, 22, 23, 29, and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 7, 12, 21, 27, 28, 34, 37, 39, 45, and 46, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$129,118,300; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$86,639,500; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$52,945,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$59,105,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$80,082,500; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$81,532,500; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$9,318,500; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$14,326,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$178,474,000; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$21,541,300; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,426,000; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,815,300; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,611,000; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,292,750; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,841,600; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$275,000,000; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,250,000; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$57,980,000; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,243,500; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,140,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 13, 14, 19, 24, 25, and 40.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R., HULL, Jr.,
THOMAS G. MORRIS,
GEORGE E. SHIPLEY,
GEORGE MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
WILLIAM H. HARRISON,
CHARLES R. JONAS,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
JOHN STENNIS,
ALLEN J. ELLENDER,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment No. 1: *Research*.—Appropriates \$129,118,300 instead of \$125,972,500 as proposed by the House and \$131,950,600 as proposed by the Senate. The increase over the amount approved by the House includes the following:

Funds deferred in 1968 for staffing laboratories.....	+\$1, 892, 400
Other research deferred in 1968.....	+244, 900
Contingency research fund.....	+500, 000
Research contracts, grants and cooperative agreements deferred in 1968.....	+750, 000
Full year cost of pay increases.....	-241, 500
Net increase.....	+3, 145, 800

Amendments Nos. 2 and 3: *Plant and animal disease and pest control*.—Appropriate \$86,639,500 instead of \$85,298,500 as proposed by the House and \$88,239,500 as proposed by the Senate, and provide for the acquisition of land for plant quarantine activities at Presidio, Tex. The increase over the House bill includes \$300,000 for plant quarantine inspection and \$1,041,000 for control of the imported fire ant. The conferees are fully agreed that none of the \$5,000,000 provided for fire ant control for fiscal year 1969 is to be diverted to any other use.

During fiscal year 1968, the Department was able to carry out a very effective enforcement program under the Laboratory Animal Welfare Act. During this period, all dealers except those recently licensed were inspected at least five times; all research sites were inspected at least twice; intensive surveillance of auction and trade-day sales was provided; and interstate control over research animals was expanded. A total of 861 complaints were handled. Some 29 alleged violations were found, four warnings were issued, and 16 cases are being reviewed for possible prosecution. Thirty-six dealers gave up their licenses, and 15 research facilities were granted extensions of time to correct deficiencies. The conferees are agreed that the Department is doing an adequate job of enforcement and should continue as at present. They further agree that not to exceed \$900,000 shall be available to continue these enforcement activities in the next fiscal year.

COOPERATIVE STATE RESEARCH SERVICE

Amendment No. 4: *Hatch Act funds*.—Appropriates \$52,945,000 instead of \$51,113,000 as proposed by the House and \$54,965,000 as proposed by the Senate. The increase of \$1,832,000 is provided to meet salary increases in the next year.

Amendment No. 5: *Cooperative forestry research*.—Appropriates \$3,485,000 as proposed by the Senate instead of \$3,370,000 as proposed by the House.

Amendment No. 6: *Contracts and grants for scientific research*.—Appropriates \$2,000,000 as proposed by the Senate instead of \$1,800,000 as proposed by the House.

Amendment No. 7: *Grants for facilities*.—Eliminates funds as proposed by the Senate.

Amendment No. 8: *Total, payments and expenses*.—Appropriates \$59,105,000 instead of \$58,958,000 as proposed by the House and \$61,125,000 as proposed by the Senate.

The conferees call attention to the fact that Hatch Act and Smith-Lever funds are appropriated for specific purposes for distribution by formula fixed by law and that the State experiment stations and Extension Service operate on a memorandum of agreement with the Department and are not subject to the control of the Secretary of Agriculture.

EXTENSION SERVICE

Amendments Nos. 9 and 10: *Payments to States*.—Appropriate \$81,532,500 instead of \$78,532,500 as proposed by the House and \$81,917,500 as proposed by the Senate. The additional \$3,000,000 is provided to meet salary increases in the next year.

Amendment No. 11: *Retirement costs*.—Appropriates \$9,318,500 instead of \$8,818,500 as proposed by the House and \$9,333,500 as proposed by the Senate.

SOIL CONSERVATION SERVICE

Amendments Nos. 12–14: *Watershed protection*.—Establish separate appropriations for “River basin surveys and investigations” and “Works of improvement” as proposed by the Senate.

Amendment No. 13 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

Amendment No. 14 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, amended to appropriate \$57,220,000 instead of \$56,220,000 as proposed by the House and \$57,907,000 as proposed by the Senate.

Amendment No. 15: *Flood prevention*.—Appropriates \$20,000,000 as proposed by the House instead of \$17,500,000 as proposed by the Senate.

Amendment No. 16: *Resource conservation and development*.—Appropriates \$6,256,000 as proposed by the House instead of \$6,474,000 as proposed by the Senate. To the extent feasible within the funds provided, the Department should initiate work on the 10 new projects proposed in the 1969 budget.

ECONOMIC RESEARCH SERVICE

Amendment No. 17: *Salaries and expenses*.—Appropriates \$12,789,000 as proposed by the House instead of \$13,089,000 as proposed by the Senate. Within the funds provided, the development of economic indicators of change in the rural economy should be stressed.

STATISTICAL REPORTING SERVICE

Amendment No. 18: *Salaries and expenses*.—Appropriates \$14,326,000 instead of \$14,184,500 as proposed by the House and \$14,467,500 as proposed by the Senate.

CONSUMER AND MARKETING SERVICE

Amendment No. 19: *Consumer protective, marketing, and regulatory programs*.—Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$116,264,500 instead of \$118,989,500 as proposed by the House and \$116,314,500 as proposed by the Senate. The amount agreed to includes an additional \$100,000 for the market news service, including a new cooperatively financed project for the floriculture industry.

Amendments Nos. 20-23: *School lunch program*.—Appropriate \$178,474,000 for this program, instead of \$182,825,000 as proposed by the House and \$177,849,000 as proposed by the Senate, as follows:

Cash payments to States	\$162,097,000
Special cash assistance (sec. 11)	10,000,000
Pilot school breakfast program	3,500,000
Nonfood assistance (equipment)	750,000
Operating expenses	2,127,000

Total appropriation----- 178,474,000

The amount provided for cash payments to States includes an additional \$5,000,000 above the House-approved amount. This is to be added to an increase of \$45,000,000 provided under section 32 for additional feeding programs authorized by the school lunch, child nutrition and other acts, making a total increase of \$50,000,000 for these purposes.

In addition, \$64,325,000 is transferred from section 32 for purchase and distribution of food under section 6 of the act, making a grand total of \$287,799,000. Donations of commodities to schools under section 32 and section 416, which have averaged around \$200 million in recent years, would provide a total Federal contribution to the school lunch and child feeding programs of nearly one-half billion dollars in fiscal year 1969.

Amendment No. 24: *Food stamp program*.—Reported in technical disagreement. The managers on the part of the House will offer a motion to concur in the Senate language, amended to provide \$1,000,000 in lieu of the \$2,500,000 proposed by the Senate. The conferees direct that a minimum of \$5,000,000 be held in reserve to prevent overobligation of this appropriation in fiscal year 1969.

Amendment No. 25: *Section 32 funds*.—Reported in technical disagreement. The managers on the part of the House will offer a motion to restore language stricken by the Senate amendment which will provide additional funds for (a) child feeding programs authorized

by the School Lunch and Child Nutrition Acts, and (b) direct distribution of food to needy children and low-income persons determined by the Secretary of Agriculture to be suffering from general and continued hunger. Insofar as practical, as a condition to qualification under the latter provision, each recipient determined to be employable should be registered with a local, State, or U.S. employment service and should be available for employment.

A total of \$50,000,000 has been added to the bill for this purpose, \$5,000,000 under the school lunch appropriation for cash payments to States and \$45,000,000 under this heading for child feeding and direct feeding purposes.

FOREIGN AGRICULTURAL SERVICE

Amendment No. 26: *Salaries and expenses*.—Appropriates \$21,541,300 instead of \$21,153,800 as proposed by the House and \$21,928,800 as proposed by the Senate.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Amendment No. 27: *Sugar Act program*.—Appropriates \$82,000,000 as proposed by the Senate instead of \$80,000,000 as proposed by the House.

Amendment No. 28: *Agricultural conservation program*.—Authorizes a program of \$195,500,000 for 1969 as proposed by the Senate instead of \$220,000,000 as proposed by the House.

Amendments Nos. 29 and 30: *Cropland adjustment program*.—Appropriate \$84,500,000 as proposed by the House instead of \$85,700,000 as proposed by the Senate and eliminate \$30,500,000 proposed by the Senate for the diversion of an additional 1 million acres during fiscal year 1969.

Emergency conservation measures.—The managers on the part of the House concur in the statement in the Senate report which places a limitation of 10 percent on transfers to cover the technical assistance of Soil Conservation Service personnel on emergency projects.

OFFICE OF INSPECTOR GENERAL

Amendment No. 31: *Salaries and expenses*.—Appropriates \$12,426,000 instead of \$12,276,000 as proposed by the House and \$12,576,000 as proposed by the Senate.

PACKERS AND STOCKYARDS ADMINISTRATION

Amendment No. 32: *Salaries and expenses*.—Appropriates \$2,815,300 instead of \$2,565,300 as proposed by the House and \$3,065,300 as proposed by the Senate.

OFFICE OF GENERAL COUNSEL

Amendment No. 33: *Salaries and expenses*.—Appropriates \$4,611,000 instead of \$4,461,000 as proposed by the House and \$4,761,000 as proposed by the Senate.

Under the act of May 23, 1908, as amended (16 U.S.C. 500), the act of July 22, 1937 (7 U.S.C. 1012), and similar legislation, where lands are taken by the Department of Agriculture for national forests

by and with the consent of a State, 25 percent of the proceeds from timber sales from such lands are committed to such State for use on roads and schools. Such funds have been repeatedly held to belong to the State under agreement with the Federal Government, subject only to control by the State legislature. Notwithstanding this fact, the Department has been withholding these funds from States to which they belong. The conferees are agreed that funds withheld, both as a matter of contract and of law, should be paid immediately to such State or States as may be entitled to such funds as a result of such agreement. They agree further that in the future such payments should be made when due.

OFFICE OF INFORMATION

Amendment No. 34: *Salaries and expenses*.—Appropriates \$1,997,000 as proposed by the Senate instead of \$1,965,000 as proposed by the House.

NATIONAL AGRICULTURAL LIBRARY

Amendment No. 35: *Salaries and expenses*.—Appropriates \$3,292,750 instead of \$3,166,500 as proposed by the House and \$3,419,000 as proposed by the Senate.

OFFICE OF MANAGEMENT SERVICES

Amendment No. 36: *Salaries and expenses*.—Appropriates \$2,841,600 instead of \$2,821,000 as proposed by the House and \$2,862,200 as proposed by the Senate.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 37: *Loan authorizations*.—Authorizes \$329,000,000 for electrification loans as proposed by the Senate instead of \$304,000,000 as proposed by the House. The managers on the part of the House call attention to the following language in the House report concerning the use of these funds:

In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

FARMERS HOME ADMINISTRATION

Amendment No. 38: *Direct loan account*.—Authorizes the use of \$275,000,000 for operating loans instead of \$250,000,000 as proposed by the House and \$300,000,000 as proposed by the Senate.

Amendments Nos. 39 and 40: *Rural housing direct loan account*.—Amendment No. 39 authorizes the use of \$30,000,000 as proposed by the Senate instead of \$15,000,000 as proposed by the House.

Amendment No. 40 is reported in technical disagreement. The managers on the part of the House will offer a motion to include language which will authorize the Secretary to require as security for a loan under section 502 or 517 of the Housing Act of 1949 only so much of the farm and buildings as he determines are of sufficient value to secure the loan, as is done for owners of nonfarm tracts.

Amendment No. 41: *Rural housing for domestic farm labor.*—Appropriates \$4,250,000 instead of \$3,500,000 as proposed by the House and \$5,000,000 as proposed by the Senate.

Amendment No. 42: *Salaries and expenses.*—Appropriates \$57,980,000 instead of \$57,641,000 as proposed by the House and \$58,319,000 as proposed by the Senate.

FEDERAL CROP INSURANCE CORPORATION

Amendment No. 43: *Administrative and operating expenses.*—Appropriates \$11,243,500 instead of \$10,487,000 as proposed by the House and \$12,000,000 as proposed by the Senate.

Amendment No. 44: *Federal Crop Insurance Corporation fund.*—Authorizes \$2,140,000 instead of \$2,850,000 as proposed by the House and \$1,430,000 as proposed by the Senate.

GENERAL PROVISIONS

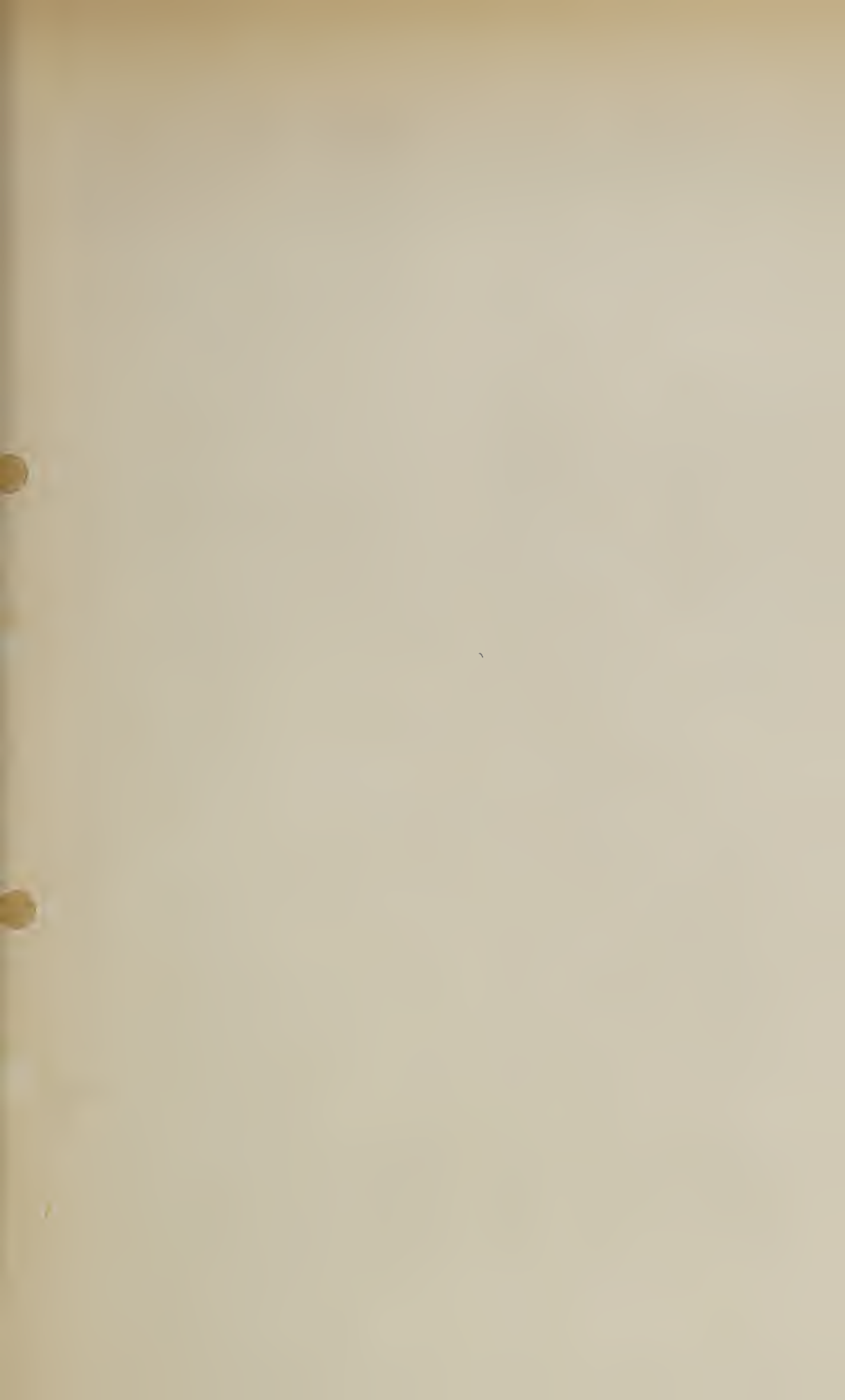
Amendments Nos. 45 and 46: *Section 509.*—Delete the expenditure limitation proposed by the House and adjust section number.

PERSONNEL REDUCTIONS

In instances where new positions have been authorized in this bill, it is not intended to give preference to such positions over those of existing programs in effecting personnel reductions required by law.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, Jr.,
THOMAS G. MORRIS,
GEORGE E. SHIPLEY,
GEORGE MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
WILLIAM H. HARRISON,
CHARLES R. JONAS,
Managers on the Part of the House.

○



representative, and a trusted friend to all of us. But these aspects of his life, when joined together in the vibrant personality and method that was peculiarly his, added up to much more than the mere sum of the parts. It added up to a truly fine, unique man, whose presence will not walk the earth again.

To his constituents, he was an effective Representative, always willing to work diligently on any matter that was brought to him. It was typical that the night of his tragic death found him with notes on how best to help a serviceman's family, whose husband and father was missing in Vietnam. He never shrank from controversy, and was never known to shrink from voicing what he truly believed. His constituents knew this, and trusted him for just this reason.

To the Nation, he represented one of the most effective voices for preserving the traditional strengths and individual constitutional freedoms that have brought us to our present position as a bastion of freedom. Americans from every walk of life knew his effective work on the House Committee on Un-American Activities and knew that he would watch for threats to the security of the Nation from within its borders.

When I was present in Dallas, to attend his funeral along with several of my colleagues of the Texas delegation, I heard a term used to describe him that, to me, best brings together all the various aspects of his life and his work.

That term was "JOE POOL, American." I like that, and I think Joe would have liked it too. No flowery adjectives, no great rambling tomes that are customarily used to describe men more cautious, more compromising. I, or any of us here today, would be happy to be known that way, but the description belong particularly to JOE POOL.

JOE POOL has passed away, leaving a legacy for the Nation of freedom and strength. Others, undoubtedly, will come to these Halls, and seek to emulate him. But I am convinced that few can succeed, because they will not have the gifts and determination that he possessed and used so wisely.

Thank you, Mr. Speaker.

Mr. MAHON. Mr. Speaker, I wish to be counted among those who paid tribute today to the memory of our departed friend and colleague, JOE POOL. I shall not extend my remarks at this time, but I would like to make reference to the remarks which I made in the House of Representatives on July 15, the day after he died, when it became my sad duty to announce to the House the passing of our late friend and colleague.

Mr. ROBERTS. Mr. Speaker, the city of Dallas and the State of Texas have lost an able spokesman. All of his colleagues in Congress, and especially his friends in the Texas delegation, will miss JOE POOL. We were all saddened by his untimely and sudden death.

Joe was a great friend of mine, going back to 1955 when we were members of the Texas Legislature. He maintained a business in my home county, also. JOE POOL was a courageous man—he loved his country and had no use for any individual who did not. He had the courage

to stand for his convictions, even when it was unpopular. So long as I have known him, he never failed to stand up and be counted for what he believed was the best for his country, his State, and his district.

Those of us who served with him have lost a good friend, and the country has lost a dedicated legislator.

His wife, Elizabeth, and his four fine sons have my sincerest and heartfelt sympathy.

Mr. EDWARDS of California. Mr. Speaker, when I first came to the House of Representatives in January 1963, I was assigned room 136 in the Old Cannon House Office Building. Seeking to move in several days before Congress convened, I found my office not ready; my predecessor was late in moving out; it had not as yet been painted.

So I had no place to put my things—no telephone—it was extremely inconvenient for a few hours until the new Congressman in the next office found out about my predicament and insisted, with warm southern hospitality, that I double up with him until my office was ready.

This I did; and there began that day, a friendship with JOE POOL that continued until Joe's tragic death on July 14. We will all miss JOE POOL. He was invariably kind and friendly in his relations with each of us. One never asked a favor of JOE that he did not go out of his way to respond. Many of us had political views entirely different from those to which JOE was dedicated; yet our debates with him were always carried on without rancor or high personal feelings. If JOE's side had the votes we would congratulate him at the end of the battle in all friendliness, and when we prevailed, JOE would always do the same to us.

JOE was always noted in the House of Representatives for the splendid work he did for his constituents. For the first years his constituency included all of the people of the great State of Texas. The last few years JOE represented a portion of Dallas, and no problem brought to him by any constituent regardless of political affiliation, did not receive the instant and skilled attention JOE offered his people.

My condolences go especially to JOE's charming widow, Elizabeth. JOE and Elizabeth were a loving couple whose happiness in marriage and as parents was an inspiration to all of his colleagues.

Mr. MATSUNAGA. Mr. Speaker, I join with the members of the Texas delegation and others in expressing sorrow over the untimely passing of our colleague, the Honorable JOE R. POOL.

JOE POOL and I were members of the 88th Congress Club, and in our years of service together I found him to be one of the most hardworking and energetic Members of the House. I valued his friendship very highly through the years when our work on the House Committee on Post Office and Civil Service brought us into frequent association.

JOE's general personality and generous instincts will be missed by all the Members. He fought hard for the causes in which he believed deeply, and he applied himself diligently to the task of

serving the people of his district, the State of Texas, and the Nation.

To the members of his bereaved family, I extend my profound condolences, and hope that they will find some measure of comfort in the fullness of his life's services to his fellowmen.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members' may have 5 legislative days in which to extend their remarks on the life, character, and service of the late lamented Honorable JOE POOL.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION FOR ECONOMIC DEVELOPMENT SUBCOMMITTEE, COMMITTEE ON PUBLIC WORKS, TO SIT DURING GENERAL DEBATE TODAY

Mr. MCCARTHY. Mr. Speaker, I ask unanimous consent that the Economic Development Subcommittee of the Committee on Public Works be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 16913, DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1969

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 16913, the Department of Agriculture appropriation bill for the fiscal year 1969.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 1794)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16913) "making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 15, 16, 17, 22, 23, 29, and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, 7, 12, 21, 27, 28, 34, 37, 39, 45, and 46; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$129,118,300"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$86,639,500"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$52,945,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$59,105,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$80,082,500"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$81,532,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,318,500"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$14,326,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$178,474,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$21,541,300"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,426,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,815,300"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,611,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,292,750"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,841,600"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$275,000,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,250,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$57,980,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,243,500"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,140,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 13, 14, 19, 24, 25, and 40.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, JR.,
THOMAS G. MORRIS,
GEORGE E. SHIPLEY,
GEORGE MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
WILLIAM H. HARRISON,
CHARLES R. JONAS,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
JOHN STENNIS,
ALLEN J. ELLENDER,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

DEPARTMENT OF AGRICULTURE Agricultural Research Service

Amendment No. 1: *Research*.—Appropriates \$129,118,300 instead of \$125,972,500 as proposed by the House and \$131,950,600 as proposed by the Senate. The increase over the amount approved by the House includes the following:

Funds deferred in 1968 for staffing laboratories	+\$1,892,400
Other research deferred in 1968	+244,900
Contingency research fund....	+500,000
Research contracts, grants, and cooperative agreements deferred in 1968.....	+750,000
Full year cost of pay increases..	—241,500
Net increase	+3,145,800

Amendment Nos. 2 and 3: *Plant and animal disease and pest control*.—Appropriate \$86,639,500 instead of \$85,298,500 as proposed by the House and \$88,239,500 as proposed by the Senate, and provide for the acquisition of land for plant quarantine activities at Presidio, Tex. The increase over the House bill includes \$300,000 for plant quarantine inspection and \$1,041,000 for control of the imported fire ant. The conferees are fully agreed that none of the \$5,000,000 provided for fire ant control for fiscal year 1969 is to be diverted to any other use.

During fiscal year 1968, the Department was able to carry out a very effective enforcement program under the Laboratory Animal Welfare Act. During this period, all dealers except those recently licensed were inspected at least five times; all research sites were inspected at least twice; intensive surveillance of auction and trade-day sales was provided; and interstate control over research animals was expanded. A total of 861 complaints were handled. Some 29 alleged violations were found, four warnings were issued, and 16 cases are being reviewed for possible prosecution. Thirty-six dealers gave up their licenses, and 15 research facilities were granted extensions of time to correct deficiencies. The conferees are agreed that the Department is doing an adequate job of enforcement and should continue as at present. They further agree that not to exceed \$900,000 shall be available to continue these enforcement activities in the next fiscal year.

Cooperative State research service

Amendment No. 4: *Hatch Act funds*.—Appropriates \$52,945,000 instead of \$51,113,000 as proposed by the House and \$54,965,000 as proposed by the Senate. The increase of \$1,832,000 is provided to meet salary increases in the next year.

Amendment No. 5: *Cooperative forestry research*.—Appropriates \$3,485,000 as proposed by the Senate instead of \$3,370,000 as proposed by the House.

Amendment No. 6: *Contracts and grants for scientific research*.—Appropriates \$2,000,000 as proposed by the Senate instead of \$1,800,000 as proposed by the House.

Amendment No. 7: *Grants for facilities*.—Eliminates funds as proposed by the Senate.

Amendment No. 8: *Total, payments and expenses*.—Appropriates \$59,105,000 instead of \$58,958,000 as proposed by the House and \$61,125,000 as proposed by the Senate.

The conferees call attention to the fact that Hatch Act and Smith-Lever funds are appropriated for specific purposes for distribution by formula fixed by law and that the State experiment stations and Extension Service operate on a memorandum of agreement with the Department and are not subject to the control of the Secretary of Agriculture.

Extension Service

Amendment Nos. 9 and 10: *Payments to States*.—Appropriate \$81,532,500 instead of \$78,532,500 as proposed by the House and \$81,917,500 as proposed by the Senate. The additional \$3,000,000 is provided to meet salary increases in the next year.

Amendment No. 11: *Retirement costs*.—Appropriates \$9,318,500 instead of \$8,818,500 as proposed by the House and \$9,333,500 as proposed by the Senate.

Soil Conservation Service

Amendment Nos. 12–14: *Watershed protection*.—Establish separate appropriations for "River basin surveys and investigations" and "Works of improvement" as proposed by the Senate.

Amendment No. 13 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

Amendment No. 14 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the Senate amendment, amended to appropriate \$57,220,000 instead of \$56,220,000 as proposed by the House and \$57,907,000 as proposed by the Senate.

Amendment No. 15: *Flood prevention*.—Appropriates \$20,000,000 as proposed by the House instead of \$17,500,000 as proposed by the Senate.

Amendment No. 16: *Resource conservation and development*.—Appropriates \$6,256,000 as proposed by the House instead of \$6,474,000 as proposed by the Senate. To the extent feasible within the funds provided, the Department should initiate work on the 10 new projects proposed in the 1969 budget.

Economic Research Service

Amendment No. 17: *Salaries and expenses*.—Appropriates \$12,789,000 as proposed by the House instead of \$13,089,000 as proposed by the Senate. Within the funds provided, the development of economic indicators of change in the rural economy should be stressed.

Statistical Reporting Service

Amendment No. 18: *Salaries and expenses*.—Appropriates \$14,326,000 instead of \$14,184,500 as proposed by the House and \$14,467,500 as proposed by the Senate.

Consumer and Marketing Service

Amendment No. 19: *Consumer protective, marketing and regulatory programs*.—Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$116,264,500 instead of \$118,989,500 as proposed by the House and \$116,314,500 as proposed by the Senate. The amount agreed to includes an additional \$100,000 for the market news service, including a new cooperatively financed project for the floriculture industry.

Amendment Nos. 20-23: *School lunch program*.—Appropriate \$178,474,000 for this program, instead of \$182,825,000 as proposed by the House and \$177,849,000 as proposed by the Senate, as follows:

Cash payments to States.....	\$162,097,000
Special cash assistance (Section 11)	10,000,000
Pilot school breakfast program	3,500,000
Nonfood assistance (equipment)	750,000
Operating expenses	2,127,000
Total appropriation	178,474,000

The amount provided for cash payments to States includes an additional \$5,000,000 above the House-approved amount. This is to be added to an increase of \$45,000,000 provided under section 32 for additional feeding programs authorized by the School Lunch, Child Nutrition, and other acts, making a total increase of \$50,000,000 for these purposes.

In addition, \$64,325,000 is transferred from section 32 for purchase and distribution of food under section 6 of the act, making a grand total of \$287,799,000. Donations of commodities to schools under section 32 and section 416, which have averaged around \$200 million in recent years, would provide a total Federal contribution to the school-lunch and child-feeding programs of nearly one-half billion dollars in fiscal year 1969.

Amendment No. 24: *Food stamp program*.—Reported in technical disagreement. The managers on the part of the House will offer a motion to concur in the Senate language, amended to provide \$1,000,000 in lieu of the \$2,500,000 proposed by the Senate. The conferees direct that a minimum of \$5,000,000 be held in reserve to prevent over-obligation of this appropriation in fiscal year 1969.

Amendment No. 25: *Section 32 funds*.—Reported in technical disagreement. The man-

agers on the part of the House will offer a motion to restore language stricken by the Senate amendment which will provide additional funds for (a) child feeding programs authorized by the School Lunch and Child Nutrition Acts, and (b) direct distribution of food to needy children and low-income persons determined by the Secretary of Agriculture to be suffering from general and continued hunger. Insofar as practical, as a condition to qualification under the latter provision, each recipient determined to be employable should be registered with a local, State, or U.S. employment service and should be available for employment.

A total of \$50,000,000 has been added to the bill for this purpose, \$5,000,000 under the school lunch appropriation for cash payments to States and \$45,000,000 under this heading for child feeding and direct feeding purposes.

Foreign Agricultural Service

Amendment No. 26: *Salaries and expenses*.—Appropriates \$21,541,300 instead of \$21,153,800 as proposed by the House and \$21,928,800 as proposed by the Senate.

Agricultural Stabilization and Conservation Service

Amendment No. 27: *Sugar Act program*.—Appropriates \$82,000,000 as proposed by the Senate instead of \$80,000,000 as proposed by the House.

Amendment No. 28: *Agricultural conservation program*.—Authorizes a program of \$195,500,000 for 1969 as proposed by the Senate instead of \$220,000,000 as proposed by the House.

Amendment Nos. 29 and 30: *Cropland adjustment program*.—Appropriates \$84,500,000 as proposed by the House instead of \$85,700,000 as proposed by the Senate and eliminates \$30,500,000 proposed by the Senate for the diversion of an additional 1 million acres during fiscal year 1969.

Emergency conservation measures.—The managers on the part of the House concur in the statement in the Senate report which places a limitation of 10 percent on transfers to cover the technical assistance of Soil Conservation Service personnel on emergency projects.

Office of Inspector General

Amendment No. 31: *Salaries and expenses*.—Appropriates \$12,426,000 instead of \$12,276,000 as proposed by the House and \$12,576,000 as proposed by the Senate.

Packers and Stockyards Administration

Amendment No. 32: *Salaries and expenses*.—Appropriates \$2,815,300 instead of \$2,565,300 as proposed by the House and \$3,065,300 as proposed by the Senate.

Office of General Counsel

Amendment No. 33: *Salaries and expenses*.—Appropriates \$4,611,000 instead of \$4,461,000 as proposed by the House and \$4,761,000 as proposed by the Senate.

Under the act of May 23, 1908, as amended, (16 U.S.C. 500), the act of July 22, 1937 (7 U.S.C. 1012), and similar legislation, where lands are taken by the Department of Agriculture for national forests by and with the consent of a State, 25 percent of the proceeds from timber sales from such lands are committed to such State for use on roads and schools. Such funds have been repeatedly held to belong to the State under agreement with the Federal Government, subject only to control by the State legislature. Notwithstanding this fact, the Department has been withholding these funds from States to which they belong. The conferees are agreed that funds withheld, both as a matter of contract and of law, should be paid immediately to such State or States as may be entitled to such funds as a result of such agreement.

They agree further that in the future such payments should be made when due.

Office of Information

Amendment No. 34: *Salaries and expenses*.—Appropriates \$1,997,000 as proposed by the Senate instead of \$1,965,000 as proposed by the House.

National Agricultural Library

Amendment No. 35: *Salaries and expenses*.—Appropriates \$3,292,750 instead of \$3,166,500 as proposed by the House and \$3,419,000 as proposed by the Senate.

Office of Management Services

Amendment No. 36: *Salaries and expenses*.—Appropriates \$2,841,600 instead of \$2,821,000 as proposed by the House and \$2,862,200 as proposed by the Senate.

Rural Electrification Administration

Amendment No. 37: *Loan authorizations*.—Authorizes \$329,000,000 for electrification loans as proposed by the Senate instead of \$304,000,000 as proposed by the House. The managers on the part of the House call attention to the following language in the House report concerning the use of these funds:

"In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans."

Farmers Home Administration

Amendment No. 38: *Direct loan account*.—Authorizes the use of \$275,000,000 for operating loans instead of \$250,000,000 as proposed by the House and \$300,000,000 as proposed by the Senate.

Amendment Nos. 39 and 40: *Rural housing direct loan account*.—Amendment No. 39 authorizes the use of \$30,000,000 as proposed by the Senate instead of \$15,000,000 as proposed by the House.

Amendment No. 40 is reported in technical disagreement. The managers on the part of the House will offer a motion to include language which will authorize the Secretary to require as security for a loan under Section 502 or 517 of the Housing Act of 1949 only so much of the farm and buildings as he determines are of sufficient value to secure the loan, as is done for owners of non-farm tracts.

Amendment No. 41: *Rural housing for domestic farm labor*.—Appropriates \$4,250,000 instead of \$3,500,000 as proposed by the House and \$5,000,000 as proposed by the Senate.

Amendment No. 42: *Salaries and expenses*.—Appropriates \$57,980,000 instead of \$57,641,000 as proposed by the House and \$58,319,000 as proposed by the Senate.

Federal Crop Insurance Corporation

Amendment No. 43: *Administrative and operating expenses*.—Appropriates \$11,243,500 instead of \$10,487,000 as proposed by the House and \$12,000,000 as proposed by the Senate.

Amendment No. 44: *Federal Crop Insurance Corporation Fund*.—Authorizes \$2,140,000 instead of \$2,850,000 as proposed by the House and \$1,430,000 as proposed by the Senate.

General provisions

Amendment Nos. 45 and 46: *Section 509*.—Delete the expenditure limitation proposed by the House and adjust section number.

Personnel reductions

In instances where new positions have been authorized in this bill, it is not intended to give preference to such positions over

those of existing programs in effecting personnel reductions required by law.

JAMIE L. WHITTEN
WILLIAM H. NATCHER
W. R. HULL, Jr.
THOMAS G. MORRIS
GEORGE E. SHIPLEY
GEORGE MAHON
ROBERT H. MICHEL
ODIN LANGEN
WILLIAM H. HARRISON
CHARLES R. JONAS

Managers on the Part of the House.

INSERTION OF TRANSCRIPT FROM DEBATE OF YESTERDAY, JULY 24

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to include transcript of floor debate.)

Mr. BOLLING. Mr. Speaker, on yesterday I participated in the debate on the gun legislation. During my remarks the gentleman from Florida [Mr. SIKES] asked me to yield. I did so. At approximately 4 o'clock yesterday afternoon I turned over the transcript of our remarks to him for correction. I note from the CONGRESSIONAL RECORD that those remarks were not delivered to the Government Printing Office in time for inclusion in the daily RECORD. I include herewith the uncorrected text of these remarks as I received them from the reporters.

The transcript follows:

Mr. BOLLING. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I had no intention of engaging in this debate. I said what I had to say in the discussion on the rule.

But I have been here, I think, for virtually every minute of the debate during the amendment stage and I was interested in the last 5 minutes of debate in particular because, in effect, our friend, the gentleman from Michigan [Mr. DINGELL] was challenging the good faith of the gentleman from New York [Mr. TENZER] in circulating certain material.

I gather that in that challenge he was being supported by the gentleman from Florida [Mr. SIKES].

I would make no charges as to intentions, but I wish to discuss briefly the results of the action of the gentleman from Florida, and the gentleman from Michigan, the other day, on Monday, when we had a matter before us under suspension of the rules.

When there was a piece of legislation that purported to be of general interest and dealt with the question of appropriating, or authorizing to be appropriated, a half million dollars of the public's money for purposes ill-defined, so far as I can determine, with regard to hunting on military reservations.

I watched that matter with considerable interest because one of the gentlemen was the author of the legislation, and the other gentleman was the manager of the legislation.

You know that under suspension, a matter comes up without really much opportunity for debate and unless a second is demanded by somebody who is opposed to the bill, there is no debate in opposition except at the wish of the person who calls it up by agreement.

I watched with considerable interest as the gentlemen proceeded to let the bill go through without any explanation. Our friend from New York [Mr. CAREY] made an attempt to have a rollcall on the matter. I am not expert in the matter, but I do know that it is a piece of legislation in the interest of a very limited number of people which these gentlemen maneuvered through the House, and maneuver is legitimate. They maneuvered it through the House without giving the House the benefit of the facts with regard to the bill.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentleman from Florida.

Mr. SIKES. On the bill to which the gentleman refers, it certainly was not my fault that there was no rollcall vote in the House. The bill is not intended to benefit a few. It is intended to benefit every person in uniform and the family of every person in uniform and every civilian who wants to pay a small fee to use the 30 million acres in 250 military reservations throughout our Nation. Everyone who is in uniform would have access to it.

Mr. BOLLING. Mr. Chairman, I refuse to yield further. The gentleman has had an opportunity to explain his position in the matter. Before I yield back the balance of my time, I would point out that that is the fullest explanation made on this matter to date. If the House finds it satisfying—and I do not—let the House so judge. I yield back the balance of my time.

CORRECTION OF VOTE

Mr. SMITH of Iowa. Mr. Speaker, on rollcalls Nos. 188 and 254 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON FISHERIES AND WILDLIFE, COMMITTEE ON MERCHANT MARINE AND FISHERIES, TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fisheries and Wildlife of the Committee on Merchant Marine and Fisheries may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALL. Mr. Speaker, reserving the right to object, I know because the distinguished majority leader makes this request, that it has been cleared with the minority side; but, is it not unseemly and strange that we have requests for unanimous consent to come in early in order to perform the business of the House, and then immediately we discharge the various committees from at-

tendance so that they may go about their various hearings after it has been stated further that this work is not necessary because the Committee on Rules has closed off additional legislative efforts other than for emergencies for the balance of this session?

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, of course, this will not be operative until the higher education bill is disposed of, because there is no more general debate on that matter. As I understand it, the gentleman from Maryland [Mr. MORTON], is interested in this matter, but I cannot testify as to its emergency nature.

Mr. HALL. I wish the gentleman to understand I have absolutely no objection to the subcommittee sitting, but in principle I wish to state I do object to our coming in early and granting unanimous consent for that and then turning around and freeing the various committees to hold sessions because of prior obligations or for any other reason. I wish to serve notice now that we will probably not have it hereafter.

The SPEAKER. The Chair understands that this request is made only during general debate.

Mr. ALBERT. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EMBARGO ON SHIPMENT OF GUNS THROUGH THE MAILS

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, yesterday when I learned from reports that some of the guns used in the massive Cleveland snipings were mailed into the city by servicemen stationed in Vietnam, I requested the Post Office Department to impose an immediate embargo on the shipment of guns through the mails.

Today, I was shocked to learn that such shipments can still be made and that the Post Office Department has no power to halt them. I have just received the following statement from Mr. Timothy May, General Counsel of the Post Office Department:

The Post Office Department is absolutely powerless under the present law to prevent the delivery of long-arms, even into a riot area. The Department has a regulation which requires the Postmaster to notify the law enforcement officers of the name and address of the recipient of a long-arm; but the Department may not withhold delivery of that firearm, even though requested by the police.

Until Congress meets this problem with meaningful legislation, I urge the Department of Defense to prohibit the shipment of weapons into the United States by members of the armed services. Guns of every type are easily available in Vietnam. If there are no restraints on their entry to the United States, they are certain to fall into irresponsible hands and add to the toll of casualties from gun violence.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued July 29, 1968
For actions of July 26 and 27, 1968
90th-2nd; Nos. 131 & 132

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HIGHLIGHTS: Both Houses adopted conference report on agricultural appropriation bill. Both Houses passed continuing appropriation resolution. Senate debated poultry inspection bill. Senate committee reported foreign aid authorization bill. House concurred in Senate amendment to extra-long staple cotton quotas bill. House agreed to conference report on housing bill. House agreed to conference report on road authorization bill.

HOUSE -- July 26

1. AGRICULTURAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 16913, and acted on amendments in disagreement (pp. H7636-43, S9511-19). See Digest 130 for table showing amounts provided in the conference report. Agreed to the Senate amendment to provide \$8,780,000 for river basin surveys and investigations (p. H7642). Agreed to a Whitten motion to substitute \$57,220,000 in lieu of the amount in the Senate amendment for funds for watershed protection, SCS (p. H7642), and the Senate concurred in this House amendment (p. S9513). Agreed to the Senate amendment to provide \$116,314,500 for consumer protective, marketing, and regulatory programs (p. H7642). Agreed to a Whitten motion to substitute \$1,000,000 in lieu of the amount in the Senate amendment providing that not more than this amount of the food stamp funds shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year (p. H7642), and the Senate concurred in this House amendment (p. S9513). Agreed to a Whitten motion to restore the matter stricken by a Senate amendment, relative to Sec. 32 funds, with an amendment providing for a \$45,000,000 special feeding program to be financed from Sec. 32 funds (p. H7643), and the Senate concurred in this House amendment (pp. S9513-15). Agreed to a Whitten motion to restore the matter stricken by a Senate amendment, relative to farmer applicants for housing loans, with an amendment providing that farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts (p. H7643), and the Senate concurred in this House amendment (p. S9515). This bill will now be sent to the President.
2. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 1420, to make continuing appropriations through Sept. 30, 1968 for agencies whose regular appropriation bills have not yet been enacted (pp. S9520-22, H7707, H7633-6). Rep. Mahon inserted excerpts from the committee report on the resolution and a tabulation of the actions on appropriation bills as of July 26, 1968 (pp. H7633-35). This measure will now be sent to the President.

Adopted the conference report on H. R. 17903, the public works appropriation bill (pp. H7630-33). Receded from its disagreement to the amendment regarding funds appropriated for the Robert S. Kerr Lock and Dam, Okla. and the Sans Bois Creek (p. H7633).

Agreed to a resolution waiving points of order on the Defense Department appropriation bill. pp. H7643-9

Passed as reported H. R. 18706, D. C. appropriation bill, 1969. pp. H7649-57
3. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 16771, to designate certain lands in the Great Swamp National Wildlife Refuge, Morris County, N. J., as wilderness (H. Rept. 1813). p. H7707
4. COTTON. Concurred in the Senate amendment to H. R. 10915, to amend Sec. 202 of the Agricultural Act of 1956 to prohibit the importation into the U. S. of extra long staple cotton produced in any country which has severed diplomatic

Office are unduly severe, then he can shift some of the burden to other areas. The point is that, at present, we are not in a position to make such a determination.

I think it is particularly significant to note the recent comment of Budget Director Charles J. Zwick with regard to this proposal. He stated that he personally would not support the exemption because other Federal programs such as social security, air traffic control, and safe streets have greater personnel needs. I fully concur with his judgment.

Any exemption for postal employees would merely be at the expense of the employees of all the other agencies. It is my understanding that there will probably be several such efforts at special-interest exemptions for different agencies. The passage of H.R. 15387 would do nothing but open the doors to the supporters of these other bills and make the task of establishing priorities all the more difficult. In view of our commitment to a specified reduction in Federal spending, we cannot afford to engage in a game of leapfrog, shifting the burden of this \$6 billion cutback from one area to the next.

There is, I believe, a broader issue involved in this debate, that of the urgency of reform of our entire postal system. For some time, I have advocated a restructuring of the Post Office along the lines of a publicly owned, self-financing corporation similar to the TVA model. At worst, this plan would remove time-consuming postal affairs from the hands of Congressmen. At best, it would boost efficiency tremendously, encourage an even greater responsiveness of postal officials to the public demand, and allow the Post Office to finance its operation for the first time in its history.

Therefore, I was greatly encouraged to read that the recently published report of the President's Commission on Postal Organization calls for a similar overhaul of the system. I commend the members of the Commission on their constructive, thought-provoking proposals, and I would hope that the issues raised by them will demonstrate to the Senate the urgency for legislation more comprehensive than the kind of stop-gap measure that we are presently considering.

AMENDMENT OF THE RENEGOTIATION ACT OF 1951

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1364, H.R. 17324, to extend and amend the Renegotiation Act of 1951.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I move that H.R. 17324 be recommitted to the Committee on Finance with instructions to report such bill back forthwith with the amendments originally reported by the Committee on Finance and with the following additional amendments:

First. Amendment No. 889, relating to the Antidumping Act, 1921.

Second. Amendment No. 890, relating to the International Coffee Agreement, 1968.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. LONG of Louisiana. Mr. President, pursuant to the motion which has just been agreed to, I report the bill H.R. 17324, and ask unanimous consent that the bill be placed on the calendar and that the Committee on Finance be permitted to file a supplementary report on H.R. 17324 as so reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1969—CONFERENCE REPORT

Mr. HOLLAND, Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 25, 1968, pp. H7479, H7480, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I shall not report on the details of the conference agreement since the full text of the conference report and the statement of the managers on the part of the House appears in House Report No. 1794 and in the CONGRESSIONAL RECORD of July 25 beginning on page H7479.

Mr. President, the conference agreement deals with 46 different numbered amendments, of which six will be reported to the Senate in technical disagreement after the adoption of the conference report. In several instances individual amendments embody several differences involving various projects and activities. The final conference agreement was reached after three sessions of the conference committee.

The Senate passed the appropriation bill on May 29, but the House did not appoint its conferees until June 24. The first conference meeting was held on July 9 and the second meeting was held on July 11. The conference committee resumed again yesterday morning and reached agreement on all of the amendments, including those which I will ask to be reported in disagreement after the adoption of the conference report.

I am pleased to report that the conference report was unanimously agreed to and signed by the conferees of both bodies.

Mr. President, since the Senate passed the agricultural appropriation bill, the conference report on H.R. 15414, The Revenue Expenditures Control Act of 1968, has been adopted by both bodies and has now become Public Law 90-364. In view of the enactment of this measure calling for a reduction in expenditures totaling \$6 billion, below those estimated in the President's budget message, the conference committee has attempted to emphasize by its actions those items it considered to be of importance and thereby to provide some guidance to the Secretary of Agriculture and the Bureau of the Budget if further reductions in expenditures are required of the Department of Agriculture.

SUMMARY OF ESTIMATES AND APPROPRIATIONS

The conference bill is in the amount of \$5,531,296,650. This total is \$1,392,683,150 under the budget estimates, \$1,615,657,050 under the adjusted appropriations for fiscal year 1968, and is \$7,661,150 over the House-passed version of the bill and \$9,253,650 under the Senate version of the bill.

Mr. President, the conference report to which I referred earlier (House Rept. No. 1794) describes in detail the net amount agreed for the many items in the appropriation bill.

PAYMENTS TO STATES FOR RESEARCH AND EXTENSION WORK

I will deal only briefly with a few of the items of general interest and concern to members of the Senate. The Senate had restored the 1968 appropriation level for the payments to the State experiment stations under the Hatch Act formula in the amount requested by the budget; namely, \$54,965,000, an increase of \$3,852,000 over the House passed bill. In the conference the House yielded to the Senate in the amount of \$1,832,000 to be directed to pay comparability adjustments—in other words, for Pay Act costs. The conference action thus provides \$52,945,000 to be distributed under the formula instead of \$51,113,000 as provided by the other body.

For payments to the States for cooperative extension work the Senate had provided restoration of the 1968 appropriation level, an increase of \$3,385,000 over the House version of the bill, and in the conference it was agreed that \$3 million of this increase be retained for pay comparability adjustments. The conference agreement thus provides \$81,532,500 for distribution to the States under the Smith-Lever formula.

Year after year the Senate has insisted that appropriations for the Federal share of pay comparability adjustments for workers at the State experiment stations and for the county extension offices should be provided in the appropriate amounts following Federal Employee Pay Act adjustments, but so far the Bureau of the Budget has not recognized this rather clear-cut principle.

Mr. President, we think we have a definite obligation in those matters.

SOIL AND WATER CONSERVATION PROGRAMS

The advance authorization for the agricultural conservation program under which cost-sharing conservation pay-

ments are made to farmers has been agreed to at \$195,500,000. This is the amount of the current program level following the reduction pursuant to Public Law 90-218 and represents a reduction of \$24,500,000 under the \$220 million program proposed by the House, and is \$95,500,000 over the request in the budget for \$100 million for next year. Unquestionably, the full level of \$220 million previously authorized for this program is needed to meet soil and water conservation needs of our Nation, but in view of the general atmosphere of economy, it was felt that \$195,500,000 should be authorized with the full expectation that when the fiscal situation improves this program will be restored to an adequate level.

The budget estimates for 1969 had proposed sharp reductions in programs administered by the Soil Conservation Service. In particular, it was proposed to reduce the watershed protection and development programs and thereby to cause further disparity and delay between planning and construction.

I am pleased to report that both bodies were in general agreement on the essentiality of continuing these important construction programs, under which approximately 40 percent of the costs are borne by local sponsors, and by local and State governments.

The conference agreement provides essentially the 1968 appropriation level for these important resource development projects.

AGRICULTURAL CREDIT PROGRAMS

The Senate had recommended a \$300 million authorization for the farm operating loans administered by the Farmers Home Administration.

I am glad to see in the Chamber the distinguished Senator from South Dakota [Mr. MUNDT], who, together with the distinguished Senator from North Dakota [Mr. Young], was most interested in this item.

The conference agreement provides \$275 million. This is \$25 million over the House bill and the budget estimate and will enable the agency to continue at the 1968 level.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I am happy to yield to the Senator from South Dakota.

Mr. MUNDT. I appreciate what the distinguished chairman of the committee has said about the efforts of the Senator from North Dakota and myself to try to get additional money for FHA operating loans. I also appreciate the efforts of the distinguished chairman of the committee, who fought hard for the additional appropriation in conference and who succeed in bringing back half of what we had requested, which is in the nature of a compromise, but which is, of course, that much better than if we had not taken the action we took in the Senate committee.

Mr. HOLLAND. The Senator from Texas [Mr. YARBOROUGH] was also very much interested in this item, and collaborated with the efforts of the Senators I have mentioned.

The Senate had proposed \$329 million of new loan authorization for the rural electrification program. This amount,

coupled with the carryover of \$41 million, will provide a total electrification loan program of \$370 million as compared to the \$391 million approved a year ago, but subsequently reduced to \$350 million by the Bureau of the Budget pursuant to Public Law 90-218. The House conferees have yielded to the Senate increase of \$25 million over the House bill and over the budget estimate for this program.

Again, the Senators from South Dakota, North Dakota, and Texas collaborated in the effort to obtain the increase which I have noted, which was approved in conference, for the REA electrification program.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I am happy to yield.

Mr. MUNDT. Again I thank the distinguished Senator from Florida for his words of commendation, and point out to all friends of REA the fact that on this item, we were a little more successful than they were on the Farmers Home Administration, and succeeded in getting the House of Representatives fully to sustain the Senate position, which does move REA forward, not at the rate at which it would like to go, and probably not at the rate that it ought to go, but at a far faster rate than that provided for by the House of Representatives, and probably at as rapid a rate as we can expect under the financial conditions confronting the country.

While I am on my feet, however, I should like to call attention to the fact that the language on the part of the managers of the House of Representatives which appears on page 9 of the conference report includes this paragraph:

In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

I wish to say for the benefit of all persons who read the RECORD something which is well known to all Members of the Senate and the House of Representatives, which is that the statement I have just read is a statement on the part of the conference managers of the House of Representatives, and does not reflect the sentiment of the Senate nor its conferees. Under present rules, we do not provide a printed statement on behalf of the conferees on the part of the Senate, so that we have to take recourse to the floor of the Senate to make clear the position that the Senate conferees held. I have long advocated that the Senate should also have a conference report from its own managers.

I think the best way to make our position clear under prevailing circumstances is to read into the RECORD at this time the Senate language which was written in our Senate report on the same subject of transmission lines generation.

Our report said and continues to say, without any expression of retreat, or equivocation or limitation of that language on our part now:

The committee recognizes that generation and transmission facilities are, in many rural areas of the Nation, a necessary part of the rural electrification program. It is aware of the beneficial effect which the operation of these facilities has had in reducing wholesale power costs for the distribution cooperatives serving the thin rural areas. It recognizes the need for "heavying up" generation and transmission facilities, as well as distribution facilities, to enable power-type cooperatives to meet their power supply obligations to their members and honor their commitments to other electric power systems where they are working together in power pools. It acknowledges the importance of having financing available for such facilities where distribution systems find it necessary to escape from unreasonable or damaging conditions sometimes imposed by unfriendly power suppliers.

That language recognizes that in some areas and in some instances distribution and generation facilities are required by power supply co-ops to meet the commitments they have to a power pool in which very frequently the private power utility organizations are also a part. It enables them to cooperate better for improved electrical service for all concerned.

It is recognized that they also find themselves at times in a competitive position against a private power supplier in trying to bid for business, so it also at times gives them a better competitive position.

I have read one paragraph from the Senate report language. However, to be sure that nothing is left out and that it is not out of context, and that the entire matter is before the reading public and the administrators of the REA, I ask unanimous consent to have all four paragraphs of our committee report language printed at this point in the RECORD.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

The committee recommends new loan authorization of \$329 million for the electrification program for the next fiscal year. This amount, together with an estimated carryover of \$41 million will provide a program level of \$370 million as compared to the level of \$391 million approved last year but subsequently reduced to \$350 million pursuant to Public Law 90-218.

The amount recommended is \$25 million over the House bill and the estimate, and \$15 million over the new authorization provided last year. Under the committee recommendation, no reserve authorization is provided.

The committee recognizes that generation and transmission facilities are, in many rural areas of the Nation, a necessary part of the rural electrification program. It is aware of the beneficial effect which the operation of these facilities has had in reducing wholesale power costs for the distribution cooperatives serving the thin rural areas. It recognizes the need for "heavying up" generation and transmission facilities, as well as distribution facilities, to enable power-type cooperatives to meet their power supply obligations to their members and honor their commitments to other electric power systems where they are working together in power pools. It acknowledges the importance of having financing available for such facilities where distribution systems find it necessary to escape from unreasonable or damaging conditions sometimes imposed by unfriendly power suppliers.

The Administrator has advised the committee that the loan level for electric facilities proposed in the budget request will necessitate the deferment of some loan needs

which would normally be met in fiscal year 1969.

The committee urges the Administrator to screen all applications for loan funds with extraordinary care in view of the Nation's need for practicing the maximum economy in fiscal year 1969 to insure that loan funds will be available to finance those facilities, including generation and transmission, which cannot be delayed without causing serious and lasting damage to existing rural electric systems and the economy and effectiveness of their operations.

Mr. HOLLAND. Mr. President, I am glad that the Senator from South Dakota has made that point. The wording incorporated in the statement of the managers on the part of the House was only a repetition of a portion of the report on the House bill and was so stated. The wording that has been placed in the RECORD by the distinguished Senator from South Dakota is a repetition of the wording contained in the Senate committee report to which the committee is committed.

I am glad that language has been incorporated in the RECORD at this time.

Mr. MUNDT. Mr. President, at this time I thank the distinguished Senator from Florida for helping to compile that language in the Senate report. There have been times when our distinguished friend, the Senator from Florida, has been unjustly criticized by certain groups in the REA for being, in their opinion, antagonistic to this particular kind of REA service. Certainly the proof of the pudding is in the eating or in the reading thereof. This demonstrates the Senator's battle to keep this matter in proper balance.

Mr. HOLLAND. Mr. President, I have never been enthusiastic about G. & T. loans if there is any possibility at all of utilizing commercially produced power.

I have frequently expressed myself on that subject. However, I have never been willing to remove from the REA organizations the opportunity to avail themselves of this particular type of loan in the event that they would have to do so as a matter of protecting their right to exist and grow and prosper.

Unless there are questions on the part of Members regarding the items embodied in the conference report, I will ask that it be adopted at this point after which the amendments in disagreement will be reported. When amendment No. 25 is reported—that is one of the amendments to be reported in technical disagreement and the one that deals with section 32 provisions—before we move to concur in the House amendment to the Senate amendment on No. 25, I will discuss the full funding of the school lunch and special feeding programs.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. MUNDT. Mr. President, speaking for the Republican members of the committee and for the Republican members of the Appropriations Committee, we thoroughly approve of the adoption of the conference report.

The PRESIDING OFFICER. The ques-

tion is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I am glad to reiterate a statement made in the beginning of my report that I was happy to have the Senate know that all Senate conferees on both sides of the aisle had agreed to the report and had signed it. It was a unanimous report on the part of the Senate conferees.

I am happy also to report that it was a unanimous report on the part of the House conferees.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 16913, which was read as follows:

Resolved, That the House recede from its disagreement to amendment of the Senate numbered 13, to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows:

In lieu of the sum proposed in said amendment, insert "\$57,220,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19, and concur therein with an amendment, as follows:

In lieu of the sum proposed in said amendment, insert "\$116,264,500".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "\$1,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25, to the aforesaid bill, and concur therein with an amendment, as follows:

Restore the matter stricken, amended to read as follows:

"REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

"(SECTION 32)

"Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961; and (4) not more than \$45,000,000 (including not to exceed \$1,000,000 for State administrative expenses) for (a) child feeding programs and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act, as amended, and (b) additional direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to other needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food: *Provided*, That in making such determinations,

the Secretary shall take into consideration the age; income; location and income of parents, if a minor; and employability."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40, to the aforesaid bill, and concur therein with an amendment, as follows:

Restore the matter stricken, amended to read as follows: ". Hereafter, farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts."

Mr. HOLLAND. Mr. President, six amendments are reported in disagreement. Since I do not think there is any problem concerning them or any necessity for explanation, I first request that amendments numbered 13, 14, 19, and 24 be reported en bloc and I will move that the Senate recede and concur on them. Then when amendment numbered 25, dealing with the section 32 provisions, is reported, I will make a brief statement before moving that the Senate concur in the amendment of the House to the amendment of the Senate.

I make this statement because I realize that there is very great interest and concern in the subject matter of amendment No. 25.

I now ask unanimous consent that Amendments numbered 13, 14, 19, and 24 be reported and considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to amendment of the Senate numbered 13, to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows:

In lieu of the sum proposed in said amendment, insert "\$57,220,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19, and concur therein with an amendment, as follows:

In lieu of the sum proposed in said amendment, insert "\$116,264,500".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "\$1,000,000".

Mr. HOLLAND. Mr. President, I move that the Senate recede and concur in amendments Nos. 13, 14, 19, and 24.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I ask that amendment No. 25 be reported, and I would like then to make a brief statement about it.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25, to the aforesaid bill, and concur therein with an amendment, as follows:

Restore the matter stricken, amended to read as follows:

"REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES" (SECTION 32)

"Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers provided in this Act; (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961; and (4) not more than \$45,000,000 (including not to exceed \$1,000,000 for State administrative expenses) for (a) child feeding programs and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act, as amended; and (b) additional direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to other needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food: *Provided*, That in making such determinations, the Secretary shall take into consideration the age; income; location and income of parents, if a minor; and employability."

Mr. HOLLAND. Mr. President, before the Chair puts the question, I would like to make a brief explanation of the amendment which deals with the school lunch and special feeding programs.

The conference agreement and amendment No. 25, as recommended, provide a total funding in this bill of \$287,799,000 as follows:

Cash payments to States.....	\$162,097,000
Special cash assistance (section 11)	10,000,000
Pilot school breakfast program	3,500,000
Nonfood assistance (equipment)	750,000
Operating expenses.....	2,127,000
Total appropriation.....	178,474,000

TRANSFERS FROM SECTION 32

Section 6 food purchases (provided for by Appropriation Act)	64,325,000
New feeding programs (amendment No. 25)	45,000,000
Total transfers.....	109,325,000
Total available.....	287,799,000

In dealing with the school lunch amendments, the House conferees insisted that the Senate yield to them on the increase made by that body over the estimate for cash payments to schools under the regular lunch program, and declined to yield to the Senate on its increases for special programs. In the final conference, the Senate conferees agreed to a \$5 million increase over the Senate figure on the regular formula funds, and the House then yielded to the Senate on the \$5 million it had added over the House for section 11, thereby retaining \$10 million for this program.

This \$5 million retained in conference, together with the additional language in

the pending amendment (No. 25), providing for \$45 million to be used at the discretion of the Secretary of Agriculture out of section 32 funds, for special child feeding and nutritional programs for needy children from low-income families, provided \$50 million for meeting these special objectives which are in addition to the regular school lunch program.

It should be noted that the school lunch and feeding programs receive \$104 million, not mentioned in this tabulation, for the special milk program, and donations from section 32 and section 416 should approximate another \$250 million. I should say that that has to be an approximation, because no one can tell at the beginning of a year what will be the purchases of surplus commodities out of section 32 funds or what will be the amount of surplus foods under section 416 in the custody of CCC which can be donated to the school lunch program.

Also available in 1969 is \$10 million for the new special assistance feeding program for day care centers approved in the last supplemental for 1968.

The Federal contributions for lunch and special assistance for children thus total about \$651,799,000, and the amounts especially set forth for special assistance and feeding programs represent a total increase over the 1968 act of \$60 million.

I will yield for questions or comments.

Mr. President [Mr. TYDINGS in the chair], I have made these comments on the details of these feeding programs because they are, of course, of great concern to Members of the Senate and of the House and to the general public.

I yield to the Senator from Michigan.

Mr. HART. I thank the Senator from Florida.

Mr. President, perhaps I should state the remark that normally would be the concluding remark in the series of exchanges that we will have. For those of us in the Senate who have over a period of months—several years now—developed increasing concern that we respond just as effectively as our resources permit to the needs of children in this country who, for one reason or another, by all objective standards, can be labeled as getting a deficient nutritional intake, I wish to thank the able Senator from Florida for waging what I suspect was not a very easy battle in the conference.

Surely, the Senator from New York [Mr. JAVITS], for example, who spent hours supporting this effort, would want me to voice that appreciation, also. I know that the Senator from Oregon [Mr. MORSE] and the Senator from Pennsylvania [Mr. CLARK] equally were concerned. All of us will continue to have this concern.

I believe that the initial steps—which are not insubstantial—reflected in the report now before the Senate promise a brighter day for a great many children in this country who live, unhappily, almost in darkness.

So I rise, first of all, to thank the Senator from Florida.

Mr. HOLLAND. I am grateful for that expression.

No one has been more active in this general group of objectives, which really is one—that is, to feed poorly fed children, and grownups also, but especially children who are suffering from nutritional deficiency—than has the Senator from Michigan.

The Senator from New York [Mr. JAVITS], who unfortunately was called elsewhere this afternoon, was, of course, very instrumental in the offering and successful handling of the amendment which brought about amendment 25 in the conference report, which is now before the Senate.

I recall that the senior Senator from Pennsylvania [Mr. CLARK] was very active in that effort.

I recall, also, that the distinguished Senator from Oregon expressed great interest. As a matter of fact, I have been able to discuss the matter with the Senator from Oregon, the Senator from New York, and the Senator from Michigan. I have not been able, because of his absence, to discuss the matter with the distinguished Senator from Pennsylvania. But I want the RECORD to show the very active interest which all of the Senators mentioned—and others—have exhibited in this matter.

So I believe we all have some reason to feel good about this matter, and I am grateful to the Senator from Michigan for his most gracious comment.

Mr. HART. Mr. President, may I attempt at this point, with leave of the Senator from Florida, to summarize the progress that has been made in the area of our concern?

When this exchange concludes, I would ask unanimous consent—if the figures I shall raise with the Senator from Florida are confirmed by him—to have printed in the RECORD a table reflecting the figures.

The PRESIDING OFFICER. Without objection, it is so ordered.

Special feeding and nutrition programs

1968 Appropriation Act.....	\$9,250,000
1969 estimates	24,800,000
House bill, 1969	9,250,000
Senate bill, 1969	18,500,000

Conference agreement, 1969...	14,250,000
Additional section 32 transfer, 1969	45,000,000

Total available, 1969..... 59,250,000

Compared to 1968 Appropriation Act	+50,000,000
Compared to 1969 estimates	+34,450,000
Compared to House bill, 1969	+50,000,000
Compared to Senate bill, 1969	+40,750,000

2d supplemental 1968 (available in 1969—special food service program for children	10,000,000
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Total available, 1969..... 69,250,000

In summary appropriations available in 1969, and transfers for special feeding assistance programs are \$60 million over the 1968 Appropriation Act.

Mr. HART. It is my understanding that the regular 1968 appropriation for special feeding and nutritional programs, the area of very intense concern of the Senators named by the Senator

from Florida, started at a figure of \$9¼ million.

Mr. HOLLAND. I believe that is correct. It was \$5 million under section 11, \$3.5 million under the special pilot breakfast program, and \$750,000 for nonfood assistance, to buy refrigerators, stoves, and other equipment for school districts that simply were without means to equip themselves to handle any lunch program.

Mr. HART. This was my understanding.

And the estimate for 1969 was in the amount of \$24.8 million. The House bill for 1969 provided \$9¼ million, and the Senate bill, for fiscal 1969, carried the amount of \$18,500,000. The conference figure produced a figure of \$14,250,000.

Mr. HOLLAND. The Senator is correct on all of these items. I regret that we were not able to hold in conference the increase in the appropriation for the breakfast program, which, as I recall, was \$3 million, and the \$1,250,000 increase under the equipment program, which account for the difference between the Senate bill content of \$18,500,000 for the special food and nutrition programs and the amount for those programs provided in the conference agreement, which is \$14,250,000.

Mr. HART. It will not surprise the Senator from Florida nor, I hope, disturb him to add that those associated with me in this effort will continue our efforts to persuade our colleagues to the higher figure, and beyond, if that becomes necessary.

Mr. HOLLAND. The attitude, the conduct, and the aggressive activities of the Senator from Michigan and other Senators who have worked with him, not only this year but for several years, compel me to believe that there will be no stoppage on that road on his part or on the part of other Senators.

Mr. HART. It is to the great credit of the Senator from Florida that notwithstanding our persistence and, on occasions, I suppose, almost our annoying pursuit of him, he has not weakened his effort in conference to hold to the higher figure.

Mr. HOLLAND. The Senator from Michigan has never annoyed me, because he has always been most courteous. I want the RECORD to show that.

Mr. HART. The able Senator from Florida did report the addition, through the section 32 transfer, of \$45 million, thus producing a sum available in this bill of \$59,250,000. I think we ought to compare these figures, since we have established the validity of them, with certain markings that indicate the progress that is reflected in the figures.

Mr. HOLLAND. I believe the total figure is \$69,250,000.

Mr. HART. I think the Senator from Florida has in mind an additional \$10 million which could be reflected, as he suggests; but in the tabulation I have in hand it is carried on a later line. I think that together we will be able to make clear the total, whether we handle it now or later.

Mr. HOLLAND. The Senator from Michigan is correct. The \$10 million which he is talking about now was made available under the second supplemental appropriation bill for 1968, but it is available for this year.

Mr. HART. That is correct. Using, now, the \$59,250,000 figure and comparing it with the 1968 Act, the increase over the 1968 act is \$50 million. When we compare it with the estimate, it is an increase of \$34,450,000. In other words, using another comparison, it is an increase of \$50 million when we compare it with the House figure, and an increase of \$40,750,000 when it is compared with the Senate figure.

Mr. HOLLAND. I have not had a chance to follow the computations, but the figures stated by the Senator as basic are correct and the arithmetic he cited I am sure is also correct, although I have not had a chance to check it.

Mr. HART. I have confidence it is correct. The Senator from Florida already referred to our action of some weeks ago which the conference settled on just a few days ago, which provided, as a result of the second supplemental, an additional \$10 million. I understand the conference by technical amendment did assure that \$10 million would be available for 1969 uses for special food service programs.

Mr. HOLLAND. That is correct; the \$10 million is available during fiscal 1969.

Mr. HART. Therefore, we have the figure of total availability for fiscal 1969 of \$69,250,000 which, as the able Senator from Florida reported a few moments ago, shows that there is an increase when we have in mind the \$10 million that the second supplemental provided for 1969 over 1968 of \$60 million. It is for this reason, of course, if the Senator confirms that figure, that I rise to thank him.

Mr. HOLLAND. The Senator certainly correctly stated the matter. To accentuate what the Senator said this has no relation to the regular school lunch program. This has to do only with an increase in the special feeding and nutrition program for the poverty stricken people and particularly to poverty-stricken children of the Nation.

Mr. HART. Mr. President, will the Senator yield briefly?

Mr. HOLLAND. I am glad to yield to the Senator from Michigan.

Mr. HART. Mr. President, I wish to reiterate our appreciation. We regard this as the taking of some initial steps and we will persist so long as there are children whom medical authorities indicate are not adequately provided for in terms of nutritional meals until that sad aspect of our social face is removed. But we are grateful.

Mr. HOLLAND. I thank the distinguished Senator. I must say I think we have completely fulfilled the commitment made by the Senator from Louisiana and the Senator from Florida at the time of the recent agreement on the higher education bill under which it was agreed if this \$50 million could be

secured in this conference report as available funds for use in these special feeding programs in fiscal 1969, that the Senator from Oregon, as chairman of the conference for the Senate had agreed he would drop the Senate committee bill covering this subject, which was for a \$50 million appropriation for each of 2 years, 1969 and 1970, and which was added to the higher education bill as an amendment at the time of that debate.

Mr. President, unless there are further comments, I move the adoption of amendment No. 25.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The question is on agreeing to amendment No. 25. [Putting the question.]

The amendment was agreed to.

Mr. HOLLAND. Mr. President, there is one further amendment, No. 40, which I ask to have stated at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40, to the aforesaid bill, and concur therein with an amendment, as follows:

Restore the matter stricken, amended to read as follows:

"Hereafter, farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts."

Mr. HOLLAND. Mr. President, without discussion, because I know of no difference of opinion on this matter, I ask that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 40. [Putting the question.]

The amendment was agreed to.

Mr. HOLLAND. Mr. President, that ends the adoption of the conference report and the amendments reported in technical disagreement.

However, I wish to make two additional comments. First, my distinguished friend, the Senator from Nebraska [Mr. HRUSKA], who is the ranking minority member of the Subcommittee on Appropriations which handles Agriculture appropriations, was unable to be here this afternoon. I wish to express my deep appreciation to him for his very active and helpful assistance on the handling of this bill through hearings, on the floor of the Senate, in conference, and at all stages.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a comparative table showing the 1968 appropriations which have been adjusted to reflect changes resulting from the passage of Public Law 90-392, the Supplemental Appropriations Act for fiscal year 1969. This table also shows the 1969 budget estimate, the amounts appropriated in the Senate and House bills, the conference allowances and comparisons with the above mentioned items.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1968 (2)	Budget estimates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference allowance, 1969 (6)	Conference bill (+) or (-)			
						Budget estimates, 1969 (7)	House bill, 1969 (8)	Senate bill, 1969 (9)	1968 appropriations (10)
Agricultural Research Service, salaries and expenses:									
Research:									
Direct appropriation.....	\$129,094,200	\$136,273,100	\$125,972,500	\$131,950,600	\$129,118,300	-\$7,154,800	+\$3,145,800	-\$2,832,300	+\$24,100
Transfer from sec. 32 1.....	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)				
Total, research.....	(144,094,200)	(151,273,100)	(140,972,500)	(146,950,600)	(144,118,300)	(-7,154,800)	(+3,145,800)	(-2,832,300)	(+24,100)
Plant and animal disease and pest control.....	87,615,300	88,647,500	85,298,500	88,239,500	86,639,500	-2,008,000	+1,341,000	-1,600,000	-975,800
Special fund (reappropriation).....	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)				
Total, salaries and expenses.....	218,709,500	224,920,600	211,271,000	220,190,100	215,757,800	-9,162,800	+4,486,800	-4,432,300	-2,951,700
Salaries and expenses (special foreign currency program).....	8,500,000	12,700,000	4,500,000	4,500,000	4,500,000				-4,000,000
Total, Agricultural Research Service.....	227,209,500	237,620,600	215,771,000	224,690,100	220,257,800	-17,362,800	+4,486,800	-3,432,300	-6,951,700
Cooperative State Research Service: Payments and expenses.....	58,958,000	62,179,000	58,958,000	61,125,000	59,105,000	-3,074,000	+147,000	-2,020,000	+147,000
Extension Service:									
Payments to States and Puerto Rico.....	78,532,500	81,917,500	78,532,500	81,917,500	81,532,500	-385,000	+3,000,000	-385,000	+3,000,000
Retirement costs for extension agents.....	8,818,500	9,333,500	8,818,500	9,333,500	9,318,500	-15,000	+500,000	-15,000	+500,000
Penalty mail.....	3,299,000	3,500,000	3,299,000	3,299,000	3,299,000	-201,000			
Federal Extension Service.....	2,838,000	2,878,000	2,838,000	2,838,000	2,838,000	-40,000			
Total, Extension Service.....	93,488,000	97,629,000	93,488,000	97,388,000	96,988,000	-641,000	+3,500,000	-400,000	+3,500,000
Farmer Cooperative Service.....	1,341,000	1,848,000	1,341,000	1,341,000	1,341,000	-507,000			
Soil Conservation Service:									
Conservation operations.....	114,975,000	116,313,000	114,893,000	114,893,000	114,893,000	-1,420,000			-82,000
Watershed planning.....	6,192,000	6,224,000	6,165,000	6,165,000	6,165,000	-59,000			-27,000
River basin surveys and investigation.....	8,503,000	8,780,000	8,780,000	8,780,000	8,780,000				
Works of improvement.....	61,900,000	33,368,000	256,220,000	257,907,000	257,220,000	-687,000	+1,000,000	-687,000	+277,000
Flood prevention.....	25,753,000	12,395,000	20,000,000	21,500,000	20,000,000	-1,500,000		+2,500,000	-4,680,000
Great Plains conservation program.....	16,336,000	13,414,000	4,16,000,000	4,16,000,000	4,16,000,000	+2,586,000			-5,753,000
Resource conservation and development.....	6,249,000	6,474,000	6,256,000	6,474,000	6,256,000	-218,000		-218,000	+7,000
Total, Soil Conservation Service.....	239,308,000	196,968,000	228,314,000	227,719,000	229,314,000	+32,346,000	+1,000,000	+1,595,000	-10,594,000
Economic Research Service: Salaries and expenses.....	12,789,000	13,964,000	12,789,000	13,089,000	12,789,000	-1,175,000		-300,000	
Statistical Reporting Service: Salaries and expenses.....	14,249,500	14,674,000	14,184,500	14,467,500	14,326,000	-141,500	+141,500	-141,500	+76,500
Consumer and Marketing Service:									
Consumer protective, marketing, and regulatory programs.....	95,493,000	119,846,000	81,18,989,500	81,16,314,500	81,116,264,500	-3,581,500	-2,725,000	-50,000	+20,771,500
Payments to States and possessions.....	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000				
Special milk program: Transfer from sec. 32 1.....	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)				
Total, special milk program.....	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)				
School lunch program:									
Direct appropriation.....	187,897,000	184,443,000	182,825,000	177,849,000	178,474,000	-5,969,000	-4,351,000	+625,000	-9,423,000
Transfer from sec. 32 1.....	(45,000,000)	(64,325,000)	(64,325,000)	(64,325,000)	(64,325,000)				+19,325,000
Total, school lunch program.....	(232,897,000)	(248,768,000)	(247,150,000)	(237,674,000)	(242,799,000)	(-5,969,000)	(-4,351,000)	(+625,000)	(+9,902,000)
Food stamp program:									
Direct appropriation.....	161,800,000	225,000,000	225,000,000	225,000,000	225,000,000				+63,200,000
Reappropriation.....	23,200,000								-23,200,000
Total, food stamp program.....	185,000,000	225,000,000	225,000,000	225,000,000	225,000,000				+40,000,000
Total, Consumer and Marketing Service.....	470,140,000	531,039,000	528,564,000	516,413,500	521,488,500				
Foreign Agricultural Service:									
Salaries and expenses.....	21,154,500	22,414,500	21,153,800	21,928,800	21,541,300	-873,200	+387,500	-387,500	+386,800
Transfer from sec. 32 1.....	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)				
Transfer from CCC.....	(2,012,175)	(2,107,000)	(2,012,175)	(2,012,175)	(2,012,175)	-94,825			
Total, Foreign Agricultural Service.....	(26,283,675)	(27,638,500)	(26,282,975)	(27,057,975)	(26,670,475)	(-968,025)	(+387,500)	(-387,500)	(+386,800)
Commodity Exchange Authority.....	1,560,000	1,584,000	1,530,000	1,530,000	1,530,000	-54,000			-30,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		New budget (obligational) authority, fiscal year 1968	Budget estimates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference allowance, 1969	Budget estimates, 1969	House bill, 1969	Senate bill, 1969	1968 appropriations
TITLE III—CORPORATIONS—Continued										
Commodity Credit Corporation:		\$988,860,000								
Contract authorization.....			\$ (350,467,000)	\$ (350,467,000)	\$ (350,467,000)					—\$988,860,000
Liquidating appropriation.....		1,400,000,000	3,298,039,000	2,837,645,500	2,837,645,500	2,837,645,500	—\$460,393,500			(+350,467,000)
Reimbursement for net realized losses.....										+1,437,645,500
Total, appropriation.....		¹⁰ (2,388,860,000)	(3,648,506,000)	(3,188,112,500)	(3,188,112,500)	(3,188,112,500)	(—460,393,500)			+799,252,500
Limitation on administrative expenses.....										
Public Law 480:										
Sales, title I.....		1,305,500,000	361,537,000	100,000,000	100,000,000	100,000,000	—261,537,000			—1,205,500,000
Donations, title II.....		300,000,000	556,606,000	200,000,000	200,000,000	200,000,000	356,606,000			—100,000,000
Total, Public Law 480.....		1,605,500,000	918,143,000	300,000,000	300,000,000	300,000,000	—618,143,000			—1,305,500,000
Bartered materials for supplemental stockpile.....		23,000,000								—23,000,000
Total, new budget (obligational) authority, title III, corporations.....		4,027,849,000	4,228,182,000	3,148,132,500	3,149,645,500	3,148,889,000	—1,079,293,000	+\$756,500	—\$756,500	—878,960,000
TITLE IV—RELATED AGENCIES										
Farm Credit Administration: Limitation on administration expenses.....		(3,282,000)	(3,436,000)	(3,436,000)	(3,436,000)	(3,436,000)				(—154,000)
National Advisory Commission on Food and Fiber.....		175,000								—175,000
Total, title IV.....		175,000								—175,000
RECAPITULATION										
Title I—General activities.....		1,817,738,700	1,740,878,800	1,847,957,000	1,836,180,800	1,828,772,650	+87,893,850	—19,184,350	—7,408,150	+11,033,950
Title II—Credit agencies.....		1,301,191,000	954,919,000	527,546,000	554,724,000	553,635,000	—401,284,000	+26,089,000	—1,089,000	—747,556,000
Title III—Corporations.....		4,027,849,000	4,228,182,000	3,148,132,500	3,149,645,500	3,148,889,000	—1,079,293,000	+756,500	—756,500	—878,960,000
Title IV—Related agencies.....		175,000								—175,000
Total, new budget (obligational) authority.....		\$7,146,953,700	6,923,979,800	5,523,635,500	\$5,540,550,300	5,531,296,650	—1,392,683,150	+7,661,150	—9,253,650	—1,615,657,050
Consisting of—										
1. Appropriations.....		4,728,293,700	5,974,979,800	4,879,635,500	4,896,050,300	4,886,796,650	—1,038,183,150	+7,161,150	—9,253,650	+158,502,950
2. Reappropriations.....		25,200,000								—25,200,000
3. Contract authorizations.....		1,208,860,000	100,000,000	220,000,000	195,500,000	195,500,000	+95,500,000	—24,500,000		—1,013,360,000
4. Authorizations to spend from debt receipts.....		1,184,600,000	849,000,000	424,000,000	449,000,000	449,000,000	—400,000,000	+25,000,000		—735,600,000
Memoranda:										
1. Appropriations to liquidate contract authorizations.....		(220,000,000)	(545,967,000)	(540,467,000)	(540,467,000)	(540,467,000)	(—5,500,000)			(+320,467,000)
2. Appropriations, including appropriations for liquidation of contract authorizations.....		(4,948,293,700)	(6,520,946,800)	(5,420,102,500)	(5,436,517,300)	(5,427,263,650)	(—1,093,683,150)	(+7,161,150)	(—9,253,650)	(478,969,950)
3. Transfers from sec. 32.....		(167,117,000)	(186,442,000)	(186,442,000)	(186,442,000)	(186,442,000)				(+19,325,000)

¹ Included in total transfers of \$186,442,000 from sec. 32 shown at end of table under heading "Memoranda."² In House and Senate report carryover balance was estimated at \$6,715,000 but actual carryover was \$6,768,548.³ In House and Senate report carryover balance was estimated at \$5,800,000 and actual carryover was \$7,652,750.⁴ In House and Senate report carryover balance was estimated at \$1,736,000 and actual carryover was \$1,828,693.⁵ Of the amount provided, \$13,440,250 is placed in reserve to be released only after the inspection activities of this service have been fully coordinated and placed on an efficient and economical operating basis.⁶ Includes 2d Supplemental Appropriation Act, 1968, appropriation of \$10,000,000 available in fiscal year 1969 for special food service program, pursuant to Public Law 90-302. This appropriation provides \$178,474,000 for cash payments to States plus \$64,325,000 transfer from sec. 32. \$10,000,000 is appropriated for sec. 11, special assistance; \$3,500,000 for pilot school breakfast; and \$750,000 for nonfood assistance; plus authority under sec. 32 for not more than \$45,000,000 for accelerating child feeding and nutrition programs, and including \$1,000,000 for State administrative expenses.⁷ Of the funds provided, \$25,000,000 is placed in reserve to be used only to the extent needed to meet program requirements after certain corrections are made in program. Senate bill provided not to exceed \$2,500,000 for payment of obligations incurred in fiscal 1968, reduced to \$1,000,000 in conference.⁸ Use of prior year funds proposed by transfer in Public Law 90-392, Supplemental Appropriation Act, 1968.⁹ Budget proposed indefinite appropriation which was not allowed.¹⁰ Includes \$988,860,000 of contract authorization established under authority of basic law rather than in an appropriation bill.¹¹ In addition, authority under sec. 32 provides not more than \$45,000,000 for accelerating special child feeding and nutrition programs.

Mr. YARBOROUGH. Mr. President, I appreciate the colloquy between Senator MUNDT and Senator HOLLAND concerning the REA appropriation for generation and transmission loans. I offered the following language for the Senate report and it was reported in the Senate Appropriations Committee Report No. 1138, at page 29:

The committee recognizes that generation and transmission facilities are, in many rural areas of the Nation, a necessary part of the rural electrification program. It is aware of the beneficial effect which the operation of these facilities has had in reducing wholesale power costs for the distribution co-operatives serving the thin rural areas. It recognizes the need for "heavying up" generation and transmission facilities, as well as distribution facilities, to enable power-type cooperatives to meet their power supply obligations to their members and honor their commitments to other electric power systems where they are working together in power pools. It acknowledges the importance of having financing available for such facilities where distribution systems find it necessary to escape from unreasonable or damaging conditions sometimes imposed by unfriendly power suppliers.

The Administrator has advised the committee that the loan level for electric facilities proposed in the budget request will necessitate the deferment of some loan needs which would normally be met in fiscal year 1969.

The committee urges the Administrator to screen all applications for loan funds with extraordinary care in view of the Nation's need for practicing the maximum economy in fiscal year 1969 to insure that loan funds will be available to finance those facilities, including generation and transmission, which cannot be delayed without causing serious and lasting damage to existing rural electric systems and the economy and effectiveness of their operations.

The colloquy between the distinguished Senator from Florida and the distinguished Senator from South Dakota was to the effect that the language of the Senate Appropriations Committee is still in full force and effect. I wish to associate myself with this colloquy reemphasizing that the right of the REA to loan money for the purpose of building generating plants and transmission lines has not been stopped or defeated by the House language.

Mr. JAVITS. Mr. President, while I and many of my colleagues would have hoped for a good deal more, I feel that this conference report reflects a very material gain for us in our efforts to feed the hungry of this Nation. Depending on how the figures are calculated, the conferees have come out with an increase of \$45 or \$50 million in new funds to feed needy persons. I believe that the amount which the conferees reported over and above the Senate-passed appropriation is properly calculated at \$45 million, and we had thought that \$50 million would be forthcoming. I think it is most regrettable that the last \$5 million could not be gained, but I recognize that there has been a substantial increase.

It is my understanding from members of the committee staff, and I believe this to be Senator HOLLAND's understanding as well, that this extra \$45 million is solely for use in connection with needy persons—that it is not to be dispersed,

for example, throughout the regular school lunch program where it might go to subsidize costs for children who can afford to pay. Second, by way of legislative history, I understand further that this \$45 million does not include the cost of surplus foods that might be used in connection with the school lunch or other programs, which the Secretary has the general authority to acquire and make available with section 32 funds. The \$45 million is to be supplemented with these surplus commodities.

I wish to make clear that I feel that the conferees have in substance fulfilled our expectations on this matter, and that I will consent to an agreement by the Senate conferees on the vocational education bill to drop from that bill the \$50 million for fiscal 1969 for the school lunch program added by my amendment on the floor. I do not feel that the \$50 million added to that bill for school lunch for fiscal year 1970 is encompassed by what the conferees on the Agriculture appropriations have done, so I believe I remain free to treat that as a separate matter. Moreover, I will pursue in the conference on the vocational education bill the effort to pass the measure to strengthen the School Lunch Act; namely, that portion of my amendment which incorporated the provisions of H.R. 17873. That Agriculture Committee reported the bill, and I believe we should move forward on it as soon as possible.

Let me also say that the reinsertion into the agriculture appropriation bill of the language on section 32 funds which the Senate, pursuant to my amendment, had agreed to strike, should in no way be taken by the Secretary of Agriculture to indicate that that language limits his discretion in the use of those funds. The deletion and subsequent reinsertion of that language neutralize each other as far as legislative history is concerned, and we return to the status quo ante. I still firmly believe that the Secretary is free to use those funds to feed the needy throughout this country, and I will continue to press this view.

Mr. HOLLAND. Mr. President, I intend to call up next, at the request of the distinguished Senator from Arizona, the chairman of the Committee on Appropriations, a continuing resolution. However, since I wish to have certain Senators in the Chamber when I call up the continuing resolution, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTAL ASSAULTS AND POSTAL SERVICES CURTAILMENTS

The Senate resumed the consideration of the bill (H.R. 15387) to amend title 39, United States Code, to provide for disciplinary action against employees of the postal field service who assault other

employees in such service in the performance of official duties, and for other purposes.

Mr. HARTKE. Mr. President, I want to talk about the pending bill and take a minute or two to talk about the issue which I consider to be of basic national importance—that is, our postal service.

I congratulate the chairman of the Committee on Post Office and Civil Service the Senator from Oklahoma (Mr. MONRONEY) for an excellent statement which is clear and concise. He spoke of why the restriction on the number of postal employees must be acted upon by the Senate, and by Congress, or, otherwise, we will have what will be equivalent to a national disaster.

Right now we see in our neighbor to the north a postal strike—which is crippling the economic life of that country.

A few years ago we had a breakdown of postal service in Chicago that dealt a heavy blow to the economy of many firms throughout the Nation.

I think every citizen should be concerned with action designed to improve mail service.

Certainly, the country can neither tolerate nor afford policies which, by accident or design, will not only make more difficult the achievement of better mail service, but will actually cause a sharp deterioration of that service.

This is a first-class country, and deserves first-class mail service.

There are certain activities, whether of the human body or of a business or government organization, which may be considered primary.

One may help a sick person recover by limiting his activity, but limiting the flow of blood from his heart would do him great injury.

One may help a business by postponing certain new activities, but one would only hurt the business by closing down its outlets or refusing it raw materials.

Similarly with Government—there are certain activities that, though desirable, may be postponed or slowed. There are others that are primary. Certainly the Founding Fathers thought the post office was such an activity, for other than the Defense Establishment, it is the only executive agency specifically provided for in the Constitution.

The postal service is not the kind of activity that can be hindered or slowed—unless we are willing to take the consequences.

The postal service is not some kind of drone that can be starved. It is a worker; it contributes to the economic life of the Nation. A vigorous efficient postal service feeds economic activity; a sluggish, inefficient postal service would hinder and hurt the economy.

I am sure, if the proper economic studies were made, we would find that any apparent saving from a deep slash in postal service would in fact cost the economy more than would be saved in the Federal budget.

For some savings are only apparent.

The factory that refuses to provide preventive maintenance may, for awhile, show a profit. But, eventually, that ap-

parent profit will be shown to be an actual loss.

Section 201 of Public Law 90-364, the tax surcharge bill, will produce some apparent savings—but the ultimate result will be a far greater cost than such savings could possibly justify.

I want to emphasize a point that has been overlooked and obscured about this section of the new tax law.

This section, with its requirement that Federal personnel levels be reduced to the 1966 levels, has nothing whatever to do with the \$6 billion budget reduction, the price the President agreed to pay for congressional action on the much needed surcharge.

I am not speaking now to advocate any favoritism to the Department concerning this cut.

But the President, in making his "gentleman's agreement" did not foresee that the Congress, in addition—in addition—to the \$6 billion cut would require a rollback of personnel to the 1966 level.

We are now in fiscal 1969. Next year we will be in fiscal 1970. The year after that 1971.

I make that self-evident statement, because section 201 reminds me of the lines of the poet Omar Khayyam:

The moving finger writes; and, having writ,
Moves on: nor all thy Piety nor Wit Shall
lure it back to cancel half a line, Nor all
they Tears wash out a Word of it.

Section 201 is an effort to cancel time. It is constructed without concern for agencies that must respond to increasing population, increasing economic activity, increasing demand.

The Post Office is such an agency. It sees, each day, more and more demand upon its services. Neither piety, nor wit, nor legislation is going to turn back the volume of mail so that yesterday's workforce can handle tomorrow's workload.

Of course, we can ignore, as section 201 ignores, that fact of life. The result will be what logic would lead us to conclude—mail service will deteriorate.

I have calculated a simple statistic that places this whole matter in perspective. In 1966, the Post Office Department processed 75.6 billion pieces of mail. This year, conservative estimates show a volume of 84 billion pieces. This is an increase of 8.4 billion pieces—an increase that reflects the great forward surge of our economy and our rising population.

Eight point four billion pieces of mail is more mail than was processed in the year 1902, when the Post Office Department employed some 140,000 persons.

It took 140,000 workers then to process about 8 billion pieces of mail.

The provision of the Public Law that I direct your attention to assumes that the same amount handled by 140,000 employees in 1902 can be handled by no employees in 1968.

This provision of the law, in short, is not designed for an agency such as the Post Office, an agency that cannot postpone its workload.

This provision of the law was based on hope rather than fact.

This provision of the law will hurt the mail service, hurt the economy, and hurt the American people who have just been

given a \$1 billion increase in their postal costs.

This provision of the law advances the interests of no one, but hurts all.

In view of these facts, and to prevent serious injury to the postal service that affects every family in this land, I ask you to consider exempting the Post Office Department from the personnel rollback provision of section 201 of Public Law 90-364.

CONTINUING RESOLUTIONS, 1969

Mr. HOLLAND. Mr. President, House Joint Resolution 1420, continuing appropriations until September 30, 1968, was passed by the House a little while ago.

The distinguished chairman of the Appropriations Committee [Mr. HAYDEN] was given unanimous consent by members of the Committee on Appropriations during a meeting this morning, at which more than a quorum was present, to call up this matter as soon as it was passed by the House. The Senator from Arizona is not able to be here this afternoon, because he is tied up on other, highly important Senate business, and has asked that I present this matter at this time.

I ask that the House message covering House Joint Resolution 1420 be laid before the Senate.

The PRESIDING OFFICER laid before the Senate House Joint Resolution 1420, making continuing appropriations for the fiscal year 1969, and for other purposes, which was read twice by its title.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HOLLAND. Mr. President, all this resolution does is change the termination date of the existing continuing resolution, which expires July 31, 1968, to a new date, September 30, 1968. This will cover the period of the conventions and enough time thereafter to allow the Congress to take action on the remaining appropriation bills, we hope, before the expiration of the suggested new date, September 30, 1968.

I ask that the joint resolution be passed.

Mr. MILLER. Mr. President—

Mr. HOLLAND. Mr. President, I am glad to yield to the Senator from Iowa.

Mr. MILLER. Mr. President, as I understand the joint resolution, it would continue the appropriation level until September 30.

Mr. HOLLAND. The Senator is correct.

Mr. MILLER. All of us in the Senate are concerned about an early adjournment. First, we were hoping for an adjournment before the conventions. Things are moving along pretty rapidly. We are having Saturday sessions. As I understand it, the appropriations are coming along pretty well.

I must say that I cannot understand why this has to go on until September 30.

I would think we might try to extend this date to September 15 and then see how things are, but, if we make it the 30th, we are foredoomed then until September 30 for an adjournment. That seems to be a very pessimistic outlook.

May I say that the Senator from Iowa is not campaigning for reelection this year, but a good many of our colleagues are; and, having been faced with an adjournment beyond September 30 in 1966, I have the deepest sympathy for those of our colleagues who are held up by a late adjournment in this session.

I would think if the Senate really got down to late sessions during the day and evening, we would get out by September 15.

I was wondering if the Senator might not see fit to have the joint resolution modified to a September 15 date rather than September 30.

Mr. HOLLAND. I am sorry to say I would not have any such authority. This matter was taken up at a full meeting of the Appropriations Committee this morning. I am unable to state how many were there, but it was over 14, 14 being a quorum or a majority. I believe there were 16 members present when it happened, and it was unanimously agreed to.

The ranking members of the minority on the Appropriations Committee were there. In fact, the ranking minority member, the Senator from North Dakota [Mr. Young], requested that this measure be held up until we were sure we had a full quorum. Later he called attention to the fact that there was more than a quorum present and asked that the matter be adopted.

Obviously the Senator from Florida could not agree, and would not agree, to that change. He would like to advise the Senator from Iowa that the fact that the date in the continuing resolution is fixed at September 30, 1968, by no means fixes the adjournment date of the Congress.

The President is entitled, under the Constitution, some time after adjournment of the Congress, to consider legislation which the Congress passes. This resolution simply would provide that in handling the financial matters of the Nation, the President, the Budget Bureau, and the various officials of the Nation who have to handle the payment of our obligations would be protected up until September 30.

I hope that the Senator will not offer such an amendment. If he does, I will, of course, have to oppose it, because this measure has already passed the House. It has been suggested by the able chairman of the House Appropriations Committee after considering the whole situation.

I have already said it was approved by the unanimous membership of the Senate Appropriations Committee which was present this morning. I trust that the Senator from Iowa will permit the measure to be passed as it has been passed by the House and is now before us.

I see on the floor the distinguished Senator from North Dakota [Mr. Young]. My recollection is that prior to calling up this measure he asked that we be sure

ACTIONS ON BUDGET ESTIMATES OF NEW BUDGET (OBLIGATIONAL) AUTHORITY IN APPROPRIATION BILLS, 90TH CONG., 2D SESS., AS OF JULY 26, 1968—Continued

[Does not, of course, include any "back-door" type budget authority; or any permanent (Federal or trust) authority, under earlier or "permanent" law,¹ without further or annual action by the Congress]

Bill and fiscal year	House actions		Senate actions		Enacted	(+) or (-), latest action compared with budget requests
	Budget requests considered	Approved	Budget requests considered	Approved		
Bills for fiscal 1969—Continued						
11. Defense.....	\$77,074,000,000	⁴ \$72,239,700,000				⁴ —\$4,834,300,000
12. Military construction.....	2,031,500,000	⁴ 1,765,019,000				⁴ —266,481,000
13. Foreign assistance.....	(3,654,711,000)					
14. Supplemental.....						
Total, these bills—						
As to fiscal 1969.....	132,142,631,831	120,565,492,649	\$34,124,510,933	\$29,410,374,996	\$13,503,511,346	⁶ —11,121,487,987
As to fiscal 1970.....	1,200,000,000	957,714,000	1,695,000,000	1,515,000,000		—422,286,000
Total, 1969 bills.....	133,342,631,831	121,523,206,649	35,819,510,933	30,925,374,996	13,503,511,346	⁶ —11,543,773,987
Bills for fiscal 1968:						
1. Urgent supplemental.....	⁶ (1,216,020,863)	⁶ (1,214,780,863)	⁶ (1,216,020,863)	⁶ (1,405,445,863)	(⁶)	(⁶)
2. Unemployment compensation (H.J. Res. 1229).....	28,800,000	28,000,000	28,800,000	28,000,000	28,000,000	—800,000
3. Claims and judgments (H.J. Res. 1268, which also carried \$400,000,000 highway "liquidation cash").....	50,980,863	50,980,863	50,980,863	50,980,863	50,980,863	
4. Secret Service (H.J. Res. 1292).....		400,000		400,000	400,000	+400,000
5. 2d supplemental.....	6,716,514,679	6,346,283,924	6,738,311,393	6,373,735,498	6,295,831,498	—442,479,895
Release of reserves (under Public Law 90-218).....	(2,976,051,100)	(2,674,902,800)	(2,976,051,100)	(2,687,902,800)	(2,674,902,800)	(—301,148,300)
Total, 1968 bills.....	6,796,295,542	6,425,664,787	6,818,092,256	6,453,116,361	6,375,212,361	—442,879,895
Cumulative totals for the session:						
House.....	140,138,927,373	127,948,871,436				⁶ —12,190,055,937
Senate.....			42,637,603,189	37,378,491,357		⁷ —5,259,111,832
Enacted.....			22,351,853,889		19,878,723,707	⁸ —2,473,130,182

¹ In round amounts, the January budget—for fiscal 1969—tentatively estimated total new budget (obligational) authority for 1969 at \$214,581,000,000 (\$201,723,000,000 net of certain offsets made for budget summary purposes only), of which \$73,085,000,000 would become available without further action by Congress and \$141,496,000,000 would require "current" action by Congress.

² These figures assume the January budget estimate of 1969 postal revenues will hold.

³ Conference report.

⁴ Committee bill as reported (subject to floor action).

⁵ Includes \$2,685,000,000 related to participation sales authorizations (Agriculture, \$425,000,000; VA and HUD, \$2,110,000,000; State-Justice bill, \$150,000,000); also includes \$126,500,000 (committee bill, \$756,000,000) deleted on floor point of order on State-Justice bill.

⁶ Not added in totals, because every budget request and every item otherwise involved has been dealt with in other supplementals for 1968 listed herein.

⁷ Includes \$2,535,000,000 related to participation sales authorizations (Agriculture, \$425,000,000; VA and HUD, \$2,110,000,000).

⁸ Includes \$425,000,000 related to participation sales authorizations (Agriculture).

Mr. Speaker, I now yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. I think a word or two in further explanation of what is involved here would be in order.

I am not sure whether the distinguished chairman of the Committee on Appropriations intends to put this in the RECORD or not, but even so it will not hurt to repeat it here on the floor because considerable interest has been expressed to me in this continuing resolution and its effect on the Revenue and Expenditure Control Act of 1968.

May I say to those who have inquired and who are interested that if they will read the report of the committee on this continuing resolution, they will obtain there a current status report on the status of the appropriation bills that must be considered for fiscal year 1969.

Three bills are ready and pending in the House and when they are disposed of there will remain only two bills that have to be considered—foreign aid and a final supplemental.

This continuing resolution restricts the expenditure of funds to the lowest of one of several rates:

First, the fiscal year 1968 rate;

Second, the budget request for 1969, where no action has been taken by either House;

Third, the more restrictive amount adopted by either of the two Houses; and

Fourth, an even more restrictive rate where the executive branch under the mandate of title II of the Revenue and Expenditure Control Act of 1968 has imposed or imposes lower ceilings.

Now I have been asked by a number of Members how the administration is proceeding to implement the Revenue and Expenditures Control Act of 1968. That is a pertinent question because when

this continuing resolution is adopted, as I am sure it will be today because I know of no opposition to it, we will have completed the first quarter of the current fiscal year—July, August, and September—and unless some of the spending limitations are imposed during this quarter, we will find they will all have to be imposed in the second, third, and fourth quarters and that would create such an imbalance that I think it would be catastrophic for the departments and agencies of the Government.

I am pleased to be able to report to the House today that the distinguished gentleman from Texas [Mr. MAHON], the ranking minority member of the Committee on Appropriations, and I, had a conference recently with the Director of the Bureau of the Budget and he gave us full assurances that he is making a direct effort to implement the expenditure limitations recently imposed by Congress and that all agencies and departments of Government have been directed to proceed promptly to implement their own part of the act.

I would like to read one or two paragraphs from the directives that have been issued by the Director of the Bureau of the Budget to all agencies and departments of Government to make this assurance crystal clear.

The SPEAKER. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. JONAS. Mr. Speaker, I move to strike out the last two words.

There has been a general impression, not shared I am sure by the Members of this body, but held by some elements of the press, the general public, and heads of some departments of Government, that the job limitation or rollback provided in the Revenue and Expenditure

Control Act applies with equal effect to every individual agency and department of Government, and that there is no flexibility.

Quite the contrary is true. The directives issued by the Director of the Bureau of the Budget make that quite clear. For example, he issued on June 28, a bulletin to the heads of all executive departments and establishments in which he directed that they take specific action to comply with the terms of Public Law 90-366 with respect to spending cuts and employment levels. Specifically he directs that they "provide for the reassignment of vacancies resulting from separations for the specified causes between components of his agency and among various types of positions so as to achieve the most effective and efficient use of those vacancies which he is authorized to fill."

In another paragraph he specifically directed that:

The agency head should provide for the reassignment, as he determines to be necessary and desirable, of vacancies resulting from the specified causes. He may fill the number of vacancies allowable under the 75 percent rule (including new positions established to carry on new and increased workloads) without regard to the specific positions vacated. For example, four vacancies resulting from the resignations of statisticians and typists in Chicago and Los Angeles could be used to hire three nurses for a hospital in New York under the jurisdiction of the same agency.

Then he says further, and I continue to quote:

The Director of the Bureau of the Budget may reassign vacancies between agencies if, in his opinion, such action is necessary or appropriate because of the creation of a new agency, because of a change in functions, or

for the more efficient operation of the Government.

The Director may authorize a higher replacement rate for vacancies in full-time permanent positions for some agencies and prescribe a lower replacement rate for other agencies in such manner as to adhere to the overall limitation for the executive branch.

This should explode the argument that it is necessary for some specific agency or department to impose these ceilings on the most sensitive areas of their responsibility. The requirement is for a Government-wide reduction in employment, and there is complete flexibility given to the Director of the Bureau of the Budget and the President to make these assignments and reassignments among various agencies and within the agencies themselves for a more efficient operation of the Government.

I hope that these assignments and reassignments will be made so that Congress will not be asked to make any exceptions to the bill that recently passed after long and hard study, effort, and work, which imposed some expenditure limitations and reductions in employment levels through attrition—all designed to forestall a fiscal crisis of major proportions. Congress must not be expected or asked to march up to the economy hill one day and back down that hill the next day.

Mr. GROSS. Mr. Speaker, I move to strike the last three words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I shall take only a moment or two. I ask the gentleman from Texas, will there be another continuing resolution in September or October or does the gentleman think that this will be the last one?

Mr. MAHON. I would hope that it will not be necessary to have another such resolution. As far as the appropriations bills are concerned, when we finish with the bills that are now pending in the House, there will remain only one regular bill; namely, the foreign aid appropriation bill, which is awaiting authorization.

The other body is now moving rather rapidly with those bills. Of course, we do not know what may develop in the other body and what may develop with respect to other legislation, but certainly we are in good shape from the standpoint of the position of the House on dealing with the money bills, so I would not anticipate that there would be any need for another continuing resolution. I would certainly hope not.

Mr. GROSS. Mr. Speaker, does the gentleman contemplate that next October or November another supplemental appropriation bill?

Mr. MAHON. Mr. Speaker, I contemplate a cleanup supplemental. The Bureau of the Budget, the Director, has been requested not to submit any of those matters at this time, in view of the fact that the target of a sine die adjournment on August 2 or 3 has been abandoned. We have asked him to hold those matters and submit, when he does submit them, the very minimum in what may come before us in September.

Mr. GROSS. Mr. Speaker, I thank the gentleman for his response.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 16913, DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1969

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 16913) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 25, 1968.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, today we bring to the House the report of the committee on conference on the bill making appropriations for the Department of Agriculture for fiscal year 1969. The new budget obligational authority allowed in the conference agreement is \$5,531,296,650. This is \$9,253,650 below the bill passed by the other body, and \$7,661,150 above the bill passed by the House.

The compromise agreement allows \$1,392,683,150 less in new obligational authority than the amount requested in the President's budget. This is approximately a 20-percent decrease in the 1969 budget request. A reduction of this size in the moneys we spend to guarantee food to our people now and in the future may not be wise in the long run. However, in view of the pressure to reduce Federal spending, we have attempted to hold back in most areas so as to be able to provide for those programs which are most critical to the health and welfare of our children, our consumers, our farming industry, our natural resources—and which provide a decent life for our rural people.

FOOD AID

It is estimated that around \$1 billion will be available for various domestic food programs run by the Department of Agriculture in fiscal year 1969, as follows:

	Million
Special milk program.....	\$104.0
School lunch program (By appropriation and transfer).....	242.8
Additional section 32 funds for various food distribution programs....	45.0
Food stamp program (total presently authorized).....	225.0
Total appropriated or transferred	616.8
Total value of commodities estimated to be purchased with section 32 or CCC (section 416) funds for distribution to welfare recipients, institutions and schools....	447.0
Total food aid.....	1,063.8

In addition it is estimated that contributions from State and local sources to the school lunch program will exceed the \$455 million provided in 1968. Payments by children should equal or surpass the \$990 million in 1968. Thus, the total amount to be spent for school lunch and other food assistance programs will approximate \$2.5 billion in fiscal year 1969.

We have heard a great deal in recent months about supposed starvation in America. I believe the reports on the extent of such malnutrition have been greatly exaggerated. However, in order to insure that isolated instances of such malnutrition will be promptly taken care of in the event they are found to exist, the committee has provided authority for the Secretary of Agriculture to utilize funds under section 32 to provide direct distribution of food to needy children and low-income persons determined by the Secretary to be suffering from hunger. This authority may be used on the basis specified in the bill, whether or not such cases occur in areas already being served by the food stamp program or by the commodity distribution program.

The exact language in the bill is as follows:

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961; and (4) not more than \$45,000,000 (including not to exceed \$1,000,000 for State administrative expenses) for (a) child feeding programs and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act, as amended; and (b) additional direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to other needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food: *Provided*, That in making such determinations, the Secretary shall take into consideration the age; income; location and income of parents, if a minor; and employability.

REA AND FHA LOANS

The bill includes an increase of \$25,000,000 over the House bill for electrification loans under the Rural Electrification Administration to help meet the urgent need for additional electrical distribution facilities in rural areas. This will provide a total of \$329 million for electrification loans in fiscal year 1969. This is the most we could provide even though it is less than half the amount needed to fully cover the \$700 million of loan applications expected to be received. In this connection, the managers on the part of the House included the following language in the conference report:

In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA co-operatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

Electricity is a necessary factor in modern agriculture. It is especially critical for farm and ranch operators who must depend on mechanized operations run by electricity to take the place of labor that they cannot obtain.

In view of the serious credit situation in rural areas, the conferees agreed to the amount of \$275,000,000 for farm operating loans of the Farmers Home Administration. This amount is \$25,000,000 above the budget and the House bill.

These loans are provided to farmers who have no other source of credit for loans to finance seasonal farm operating expenses. A survey completed several weeks ago by the Farmers Home Administration indicates that, even with the additional funds provided, less than half of these farmers who are eligible and who need FHA operating loans will receive such loans.

The conferees also agreed on the amount of \$30,000,000 requested in the President's budget for rural housing direct loans. This is \$15,000,000 over the House bill and \$15,000,000 over the amount approved in fiscal year 1968.

THE 4-H CLUBS

Although it is relatively small in cost, I wish to mention the 4-H program, for which funds are provided in this bill under the Extension Service. The conferees allowed an increase of \$3 million over the House bill to meet the Federal share of the cost of salary increases for extension agents who carry on this important work. The effect of 4-H Club activities on America's rural youth has been so wholesome that many people feel it should be extended to our cities, as well as to other parts of the world. At a time when youth seems threatened by the influences of violence from within this country and subversion from abroad, the work of the 4-H Clubs of this country is providing an essential stabilizing influence.

EFFECT ON EXPENDITURES

The conference agreement will increase expenditures above those allowed

in the House bill by an estimated \$75 million. Of this amount, the additional section 32 funds provided for child nutrition and other feeding programs account for \$45 million. The balance results from the increase of \$25 million allowed for Farmers Home Administration operating loans and various other items. The conference agreement still will result in a reduction in expenditures of \$339 million below the 1969 budget estimate.

We cannot control the extent to which the executive branch may make additional cuts in agricultural programs to reach the \$6 billion total cut required by law. However, it is our intention, by reducing expenditures substantially through the action of Congress on individual items in this bill, to set austere levels which should serve as guidelines to those in the executive branch. It is expected that they will not unduly curtail the programs of the Department of Agriculture to carry out expanded programs in other agencies or departments, or to favor one or more programs in the Department by cutting other programs far below the levels that Congress has set for them.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. At this point, I place in the RECORD a table showing for each appropriation item the amounts agreed to as compared to the 1969 budget and the House and Senate bill:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969

Agency and Item (1)	Difference between conference action and—								
	New budget (obligational) authority, fiscal year 1968 (2)	Budget esti- (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)	New budget (obligational) authority, fiscal year 1968 (7)	Budget esti- mates of new (obligational) authority, fiscal year 1969 (8)	New budget (obligational) authority recommended in House bill (9)	New budget (obligational) authority recommended in Senate bill (10)
TITLE I—GENERAL ACTIVITIES									
Agricultural Research Service, salaries and expenses:									
Research:									
Direct appropriation.....	\$129,094,200	\$136,273,100	\$125,972,500	\$131,950,600	\$129,118,300	+\$24,100	-\$7,154,800	+\$3,145,800	-\$2,832,300
Transfer from sec. 321.....	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	—	—	—	—
Total, research.....	(144,094,200)	(151,273,100)	(140,972,500)	(146,950,600)	(144,118,300)	(+\$24,100)	(-\$7,154,800)	(+\$3,145,800)	(-\$2,832,300)
Plant and animal disease and pest control.....	87,615,300	88,647,500	85,238,500	88,239,500	86,639,500	+\$2,409,000	-\$2,008,000	+\$1,341,000	-\$1,600,000
Special fund (reappropriation).....	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	—	—	—	—
Total, salaries and expenses.....	218,709,500	224,920,600	211,271,000	220,190,100	215,757,800	-\$2,951,700	-\$8,200,000	+\$4,486,800	-\$4,432,300
Salaries and expenses (special foreign currency program).....	8,500,000	12,700,000	4,500,000	4,500,000	4,500,000	—	—	—	—
Total, Agricultural Research Service.....	227,209,500	237,620,600	215,771,000	224,690,100	220,257,800	-\$6,951,700	-\$17,362,800	+\$4,486,800	-\$4,432,300
Cooperative State Research Service: Payments and expenses.....	58,958,000	62,179,000	58,958,000	61,125,000	59,105,000	+\$147,000	-\$3,074,000	+\$147,000	-\$2,020,000
Extension Service:									
Payments to States and Puerto Rico.....	78,532,500	81,917,500	78,532,500	81,917,500	81,532,500	+\$3,000,000	-\$385,000	+\$3,000,000	-\$385,000
Retirement costs for extension agents.....	8,818,500	9,333,500	8,818,500	9,333,500	9,318,500	+\$15,000	-\$15,000	+\$15,000	-\$15,000
Penalty mail.....	3,299,000	3,500,000	3,299,000	3,299,000	3,299,000	—	—	—	—
Federal Extension Service.....	2,838,000	2,838,000	2,838,000	2,838,000	2,838,000	—	-\$40,000	—	—
Total, Extension Service.....	93,488,000	97,629,000	93,488,000	97,388,000	96,988,000	+\$3,500,000	-\$641,000	+\$3,500,000	-\$400,000
Farmer Cooperative Service.....	1,341,000	1,848,000	1,341,000	1,341,000	1,341,000	—	-\$507,000	—	—
Soil Conservation Service:									
Conservation operations.....	114,975,000	116,313,000	114,893,000	114,893,000	114,893,000	-\$82,000	-\$1,420,000	—	—
Watershed planning.....	6,192,000	6,224,000	6,165,000	6,165,000	6,165,000	—	-\$59,000	—	—
River basin surveys and investigations.....	70,403,000	42,148,000	65,000,000	8,780,000	8,780,000	-\$4,403,000	+\$23,852,000	+\$1,000,000	-\$687,000
Works of improvement ¹	25,753,000	12,395,000	20,000,000	57,907,000	57,220,000	—	—	—	—
Flood prevention ²	16,336,000	13,414,000	16,000,000	17,500,000	20,000,000	-\$5,753,000	+\$7,605,000	—	+\$2,500,000
Great Plains conservation program ²	6,249,000	6,474,000	16,000,000	16,000,000	16,000,000	-\$336,000	+\$2,586,000	—	—
Resource conservation and development.....			6,256,000	6,474,000	6,256,000	+\$7,000	-\$218,000	—	-\$218,000
Total, Soil Conservation Service.....	239,908,000	196,968,000	228,314,000	227,719,000	229,314,000	-\$10,594,000	+\$32,346,000	+\$1,000,000	+\$1,595,000
Economic Research Service: Salaries and expenses.....	12,789,000	13,964,000	12,789,000	13,089,000	12,789,000	—	-\$1,175,000	—	-\$300,000
Statistical Reporting Service: Salaries and expenses.....	14,249,500	14,674,000	14,184,500	14,467,500	14,326,000	+\$76,500	-\$348,000	+\$141,500	-\$141,500
Consumer and Marketing Service:									
Consumer protective, marketing, and regulatory programs.....	95,493,000	119,846,000	\$118,989,000	\$116,314,500	\$116,264,500	+\$20,771,500	-\$3,581,500	-\$2,275,000	-\$50,000
Payments to States and possessions.....	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	—	—	—	—
Special milk program: Transfer from sec. 321.....	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	—	—	—	—
Total, special milk program.....	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	(104,000,000)	—	—	—	—
School lunch program:									
Direct appropriation.....	\$187,897,000	\$184,443,000	\$182,825,000	\$177,849,000	\$178,474,000	-\$9,423,000	-\$5,969,000	-\$4,351,000	+\$625,000
Transfer from sec. 321.....	(45,000,000)	(64,325,000)	(64,325,000)	(64,325,000)	(64,325,000)	—	—	—	—
Total, school lunch program.....	(232,897,000)	(248,768,000)	(247,150,000)	(242,174,000)	(242,799,000)	(+\$9,902,000)	(-\$5,969,000)	(-\$4,351,000)	(+\$625,000)
Food stamp program:									
Direct appropriation.....	\$161,800,000	\$225,000,000	\$225,000,000	\$225,000,000	\$225,000,000	+\$63,200,000	—	—	—
Reappropriation.....	23,200,000	—	—	—	—	-\$23,200,000	—	—	—
Total, food stamp program.....	185,000,000	225,000,000	225,000,000	225,000,000	225,000,000	+\$40,000,000	—	—	—
Total, Consumer and Marketing Service.....	470,140,000	531,039,000	528,564,500	520,913,500	521,488,500	+\$51,348,500	-\$9,550,500	-\$7,076,000	-\$575,000
Foreign Agricultural Service:									
Salaries and expenses.....	21,154,500	22,414,500	21,153,800	21,928,800	21,541,300	+\$386,800	-\$873,200	+\$387,500	-\$387,500
Transfer from sec. 321.....	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	—	—	—	—
Transfer from CCC.....	(2,012,175)	(2,107,000)	(2,012,175)	(2,102,175)	(2,012,175)	—	—	—	—
Total, Foreign Agricultural Service.....	(26,283,675)	(27,638,500)	(26,282,975)	(27,057,975)	(26,670,475)	(+\$386,800)	(-\$968,025)	(+\$387,500)	(-\$387,500)
Commodity Exchange Authority.....	1,560,000	1,584,000	1,530,000	1,530,000	1,530,000	-\$30,000	-\$54,000	—	—

Agricultural Stabilization and Conservation Service:

Expenses, ASCS:	140,331,400	143,933,700	141,031,400	141,031,400	141,031,400	+700,000	-2,902,300	
Direct appropriation:	(58,608,600)	(62,764,100)	(62,764,100)	(62,764,100)	(62,764,100)	(+4,155,500)		
Transfer from CCC:								
Sugar Act program:	(198,940,000)	(206,697,800)	(203,795,500)	(203,795,500)	(203,795,500)	(+4,855,500)	(-2,902,300)	
Agricultural conservation program:	80,000,000	82,300,000	80,000,000	82,000,000	82,000,000	+2,000,000	+2,000,000	
Advance authorization for 1969 program (contract authorization):	220,000,000	100,000,000	220,000,000	195,500,000	195,500,000	-24,500,000	-24,500,000	
Liquidation of contract authorization:	(220,000,000)	(195,500,000)	(190,000,000)	(190,000,000)	(190,000,000)	(-5,500,000)	(-5,500,000)	
Crop and conversion program:	7-7,560,000	85,700,000	84,500,000	85,000,000	84,500,000	+7,560,000		
Cropland adjustment program:	84,500,000	(55,700,000)					-1,200,000	
Limitation on authorization for 1969 program:	123,000,000	109,500,000	109,000,000	109,000,000	109,000,000	(-50,000)	(-30,500,000)	
Conservation reserve program:	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000			
Emergency conservation measures:								
Total, Agricultural Stabilization and Conservation Service:	645,271,400	526,433,700	639,531,400	618,231,400	617,031,400	-28,240,000	+90,597,700	-1,200,000

Rural Community Development Service:	450,000	469,000	463,000	463,000	463,000	+13,000	-6,000	
Office of Inspector General:	12,146,000	12,867,000	12,276,000	12,576,000	12,426,000	+280,000	-441,000	-150,000
Packers and Stockyards Administration:	2,640,300	3,166,000	2,965,300	3,065,300	2,815,300	+175,000	-350,700	-250,000
Office of General Counsel:	4,486,000	5,033,000	4,461,000	4,761,000	4,611,000	+123,000	-422,000	-150,000
Office of Information:	1,965,000	1,977,000	1,965,000	1,997,000	1,997,000			
National Agricultural Library:	2,638,500	3,419,000	3,166,500	3,419,000	3,292,750	+32,000	+32,000	
Office of Management Services:	2,746,000	2,910,000	2,821,000	2,862,200	2,841,600	+654,250	-126,250	-126,250
General administration:	4,598,000	4,664,000	4,614,000	4,614,000	4,614,000	+95,600	+20,600	-20,600
Total new budget (obligational) authority, title I, general activities:	1,817,738,700	1,740,878,800	1,847,957,000	1,836,180,800	1,828,772,650	+11,033,950	+87,893,850	-7,408,150

TITLE II—CREDIT AGENCIES

Rural Electrification Administration:	314,000,000	304,000,000	304,000,000	329,000,000	329,000,000	+15,000,000	+25,000,000	
Loan authorizations:	120,600,000	120,000,000	120,000,000	120,000,000	120,000,000	-600,000		
Telephone:								
Total loans (authorization to spend debt receipts):	434,600,000	424,000,000	424,000,000	449,000,000	449,000,000	+14,400,000	+25,000,000	
Salaries and expenses:	12,705,000	12,937,000	12,805,000	12,805,000	12,805,000	+100,000	-132,000	
Total, Rural Electrification Administration:	447,305,000	436,937,000	436,805,000	461,805,000	461,805,000	+14,500,000	+24,868,000	+25,000,000

Farmers Home Administration:

Direct loan account: (limitations)	(110,000,000)	(83,000,000)	(83,000,000)	(83,000,000)	(83,000,000)	(-27,000,000)		
Real estate loans:	(300,000,000)	(250,000,000)	(250,000,000)	(300,000,000)	(275,000,000)	(-25,000,000)	(+25,000,000)	(-25,000,000)
Operating loans:	(7,500,000)	(4,900,000)	(4,900,000)	(4,900,000)	(4,900,000)			
Soil conservation loans:								
Total, direct loan account:	(417,500,000)	(337,900,000)	(337,900,000)	(387,900,000)	(362,900,000)	(-54,600,000)	(+25,000,000)	(-25,000,000)
Rural housing direct loans:	(15,000,000)	(30,000,000)	(15,000,000)	(30,000,000)	(30,000,000)	(+15,000,000)	(+15,000,000)	
Total, loan limitations:	(432,500,000)	(367,900,000)	(352,900,000)	(417,900,000)	(392,900,000)	(-39,600,000)	(+40,000,000)	(-25,000,000)
Participation sales authorization (authorization to spend agency debt receipts):	750,000,000	425,000,000				750,000,000	-425,000,000	
Payment of participation sales insufficiencies:	13,268,000	(8)	(8)	(8)	(8)	-13,268,000		
Rural water and waste disposal grants:	28,000,000	27,250,000	28,000,000	28,000,000	28,000,000		+750,000	
Rural renewal:	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000			
Rural housing for domestic farm labor:	3,500,000	5,000,000	3,500,000	5,000,000	4,250,000	+750,000	-750,000	
Salaries and expenses:	57,518,000	59,132,000	57,641,000	58,319,000	57,980,000	+462,000	-1,152,000	-339,000
Direct appropriation:	(2,250,000)	(2,250,000)	(2,500,000)	(2,500,000)	(2,250,000)			
Transfer from ACIF:	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)			
Transfer from other accounts:								
Total, salaries and expenses:	(60,268,000)	(61,882,000)	(60,391,000)	(61,069,000)	(60,730,000)	(+462,000)	(-1,152,000)	(-339,000)
Total, new budget (obligational) authority, Farmers Home Administration:	853,886,000	517,982,000	90,741,000	92,919,000	91,830,000	-762,056,000	+1,089,000	-1,089,000
Total, title II, credit agencies:	1,301,191,000	954,919,000	527,546,000	554,724,000	553,635,000	-747,556,000	+26,089,000	-1,089,000

TITLE III—CORPORATIONS

Federal Crop Insurance Corporation, administrative and operating expenses:	10,489,000	12,000,000	10,487,000	12,000,000	11,243,500	+754,500	-756,500	-756,500
Appropriation:	(2,850,000)	(1,430,000)	(2,850,000)	(1,430,000)	(2,140,000)	(-710,000)	(+710,000)	(+710,000)
Premium income:								
Total, FCIC:	(13,339,000)	(13,430,000)	(13,337,000)	(13,430,000)	(13,383,500)	(+44,500)	(-46,500)	(-46,500)

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1968 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1969—Continued

Agency and item (1)	Difference between conference action and—						
	New budget (obligational) authority, fiscal year 1968 (2)	Budget esti- mates of new (obligational) authority, fiscal year 1969 (3)	New budget (obligational) authority recommended in House bill (4)	Conference action (6)	New budget (obligational) authority, fiscal year 1968 (7)	Budget esti- mates of new (obligational) authority, fiscal year 1969 (8)	New budget (obligational) authority recommended in House bill (9) New budget (obligational) authority recommended in Senate bill (10)
TITLE III—CORPORATIONS—Continued							
Commodity Credit Corporation:							
Contract authorization							
Liquidating appropriation	\$988,860,000	(\$350,467,000)	(\$350,467,000)	(\$350,467,000)	—988,860,000	—988,860,000	
Reimbursement for net realized losses	1,400,000,000	3,298,039,000	2,837,645,500	2,837,645,500	+1,437,645,500	—460,393,500	
Total, appropriation							
Limitation on administrative expenses	° (2,388,860,000) (31,500,000)	(3,648,506,000) (31,500,000)	(3,188,112,500) (31,500,000)	(3,188,112,500) (31,500,000)	(+799,252,500)	(—\$460,393,500)	
Public Law 480:							
Sales, title I	1,305,500,000	361,537,000	100,000,000	100,000,000	—1,205,500,000	—261,537,000	
Donations, title II	300,000,000	556,606,000	200,000,000	200,000,000	—100,000,000	—356,606,000	
Total, Public Law 480	1,605,500,000	918,143,000	300,000,000	300,000,000	—1,305,000,000	—618,143,000	
Bartered materials for supplemental stockpile	23,000,000				—23,000,000		
Total, new budget (obligational) authority, title III, corporations	4,027,849,000	4,228,182,000	3,148,132,500	3,148,889,000	—878,960,000	—1,079,293,000	—\$756,500
TITLE IV—RELATED AGENCIES							
Farm Credit Administration: Limitation on administration expenses	(3,282,000)	(3,436,000)	(3,436,000)	(3,436,000)	(+154,000)		
National Advisory Commission on Food and Fiber	175,000				—175,000		
Total, title IV	175,000				—175,000		
RECAPITULATION							
Title I—General activities	1,817,738,700	1,740,878,700	1,847,957,000	1,828,772,650	+11,033,950	+87,893,850	—7,408,150
Title II—Credit agencies	1,301,191,000	954,919,000	527,546,000	553,635,000	—747,556,000	—401,284,000	—1,089,000
Title III—Corporations	4,027,849,000	4,228,182,000	3,148,132,500	3,148,889,000	—878,960,000	—1,079,293,000	—756,500
Title IV—Related agencies	175,000				—175,000		
Total, new budget (obligational) authority	7,146,953,700	6,923,979,800	5,523,635,500	5,531,296,650	—1,615,657,050	—1,392,683,150	—9,243,650
Consisting of—							
1. Appropriations	4,728,293,700	5,974,979,800	4,879,635,500	4,886,796,650	+158,502,950	—1,088,183,150	—9,253,650
2. Reappropriations	25,200,000				—25,200,000		
3. Contract authorizations	1,208,860,000	100,000,000	220,000,000	195,500,000	—1,013,360,000	+95,500,000	—24,500,000
4. Authorizations to spend from debt receipts	1,184,600,000	849,000,000	424,000,000	449,000,000	—735,600,000	—400,000,000	+25,000,000
Memoranda:							
1. Appropriations to liquidate contract authorizations	(220,000,000)	(545,967,000)	(540,467,000)	(540,467,000)	(+320,467,000)	(—5,500,000)	
2. Appropriations, including appropriations for liquidation of contract authorizations	(4,948,293,700)	(6,520,946,800)	(5,420,102,500)	(5,427,263,650)	(+478,969,950)	(—1,093,683,150)	(—9,253,650)
3. Transfers from sec. 32	(167,117,000)	(186,442,000)	(186,442,000)	(186,442,000)	(+19,325,000)	(+7,161,150)	

¹ Included in total transfers of \$186,442,000 from section 32 down at end of table under heading "Memoranda."

² In addition, carryover balances will be available in fiscal 1969.

³ Of the amount provided, \$13,440,250 is placed in reserve to be released only after the inspection activities of this service have been fully coordinated and placed on an efficient and economical operating basis.

⁴ Includes Second Supplemental Appropriation Act, 1968, appropriation of \$10,000,000 for fiscal year 1969 for special food service program established under Public Law 90-302.

⁵ In addition, \$45,000,000 to be available from section 32 for school lunch and child nutrition programs and direct distribution to hungry people.

⁶ Of the funds provided, \$25,000,000 are placed in reserve to be used only to the extent needed to meet program requirements after corrections are made in program. Senate bill provided \$2,500,000 and conference amount provided \$1,000,000 for payment of obligations incurred in previous fiscal year.

⁷ Use of prior year funds.

⁸ Budget proposed indefinite appropriation, which was not allowed.

⁹ Includes \$988,860,000 of contract authorization established under authority of basic law rather than in an appropriation bill.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from Illinois.

Mr. MICHEL. Mr. Speaker, while we went to conference with the Senate to iron out the 45 differences between the House- and Senate-passed bills, we reached agreement after a number of meetings fairly easily. The biggest item of controversy, I believe, had to do with the so-called Javits amendment, adopted in the Senate that would have opened up the floodgates of section 32 funds for food and nutrition programs. I would call the Members' particular attention to the remarks of the chairman of our subcommittee, the gentleman from Mississippi [Mr. WHITTEN] on the subject of food aid, which shows very clearly that we are currently providing for better than \$1 billion in this field.

The conferees have agreed to allow the Secretary of Agriculture to release up to an additional \$45 million of section 32 funds for child feedings and nutritional programs to help alleviate hunger and malnutrition in the United States.

While we have any starving people in this country, our first obligation is to them and we must take care of them before spending millions of dollars abroad to feed the starving of the world.

But in taking care of our own, we do not want to open the floodgates to promiscuous, uncontrolled, and unlimited expenditure of funds. We have, therefore, set a ceiling of \$45 million in transfer of section 32 funding and further included language in the report that low-income recipients who are determined to be employable registered with a local, State, or U.S. Employment Service and should be available for employment.

The other significant money differences had to do with splitting the difference of the \$50 million increase in FHA loans carried in the Senate bill—the \$25 million increase over the House figures in REA loans, and the cut of \$24.5 million from the House figure on the ACP program.

The action of the conferees in increasing REA's electric loan authorization by \$25 million over the \$304 million contained in the budget estimate and approved by the House was taken within the framework of the language contained in the House report on the bill with respect to generation and transmission loan policy. The managers on the part of the House explained the effect of the action agreed upon and recommended by the conferees and called attention to the language in the House report as the basis upon which the conferees agreed to the increased amount for REA. This language stated:

In view of the urgent need for additional distribution facilities, therefore, it is essential that generation and transmission loans be held to a minimum in the coming year. The committee recognizes the importance of the availability of G. & T. loan funds to the bargaining positions of the REA cooperatives. It does not feel, however, that this position will be weakened by a careful policy in regard to such loans.

The Administrator of REA, Mr. Clapp, had testified on the budget request to the effect that a loan authorization of \$304

million for 1969 would be adequate to meet the most urgent needs of the rural electric cooperatives.

While I personally agree with his statement and feel that the budget estimate and the House allowance was sufficient to carry forward an orderly program, I yielded to the \$25 million Senate increase in view of the conference stipulation that the program be prudently administered so as to assure that loans for distribution would have priority and that G. & T. loans would be held to a minimum.

It is important to note that the trend in all sectors of the electric power industry—private, public, and cooperative—is toward large scale generation and transmission as the most economical, efficient, and reliable means of producing and distributing electric energy. Some of these huge plants involve tremendous sums of money, reaching into hundreds of millions of dollars. In the list of 82 electric loan application pending before REA on July 1 of this year, for example, only five are for major generation and transmission facilities but these alone total almost \$200 million. It is obvious that approval of these loans would leave little money to fulfill the needs for distribution facilities.

I think we are all fully aware of the necessity for heavying up existing distribution lines to meet the continuing growth of consumer loads in rural areas. Obviously, loans for such purposes must have first priority.

While it may be important to have funds available for generation and transmission loans to afford borrowers a bargaining position for their wholesale power supplies, extreme care must be exercised to assure that funds are not used for generation and transmission facilities when suitable alternatives exist. Funds are to be loaned for such purposes only if fair and reasonable wholesale power contracts cannot be obtained. This procedure is not only in the interest of the consumer from the standpoint of power costs and reliability, but it also increases the amount of money available for distribution purposes, thereby making the best use of loan authorizations for the most urgent purposes.

The conference report emphasized that it is essential that "generation and transmission loans be held to a minimum." Such loans should be made only after the Administrator has certified that self-generation will result in the lowest cost power to the borrower and that the savings forthcoming from such facilities will be passed on by the borrower to the ultimate consumer in lower rates.

In addition, due to the heavy demands on the U.S. Treasury in this period of serious financial crisis, Federal agencies have special responsibilities for careful review and evaluation of every proposed commitment and expenditure. Furthermore, it is expected that the Bureau of the Budget, in its regular responsibility for apportionment of funds, as well as in discharging its responsibilities under Public Law 90-364, the Revenue and Expenditure Control Act of 1968, will carefully monitor this program to assure that the intent of Congress is carried out.

As I said earlier, the conferees accepted the Senate figure of \$195,500,000 for the Agricultural Conservation program, which is a reduction from the House figure of \$220 million. This is the item we have attempted to cut considerably in years past, with little success on the floor of this House and frankly, I am happy that we agreed on the Senate's lower figure and would appear to be moving in the right direction on this program.

I must say that so far as the Agricultural Research Service is concerned, I am less than enthusiastic about the \$5 million item carried in this conference report, providing for fire ant control for the fiscal year 1969. While we state in our report that "none of the \$5 million be diverted to any other use," I would hope we would see some significant progress in its control, for in our hearings, part II, page 252, we read:

The fire ant does not significantly affect land values, the labor market, agricultural productivity or national health or welfare.

And that any losses sustained because of it are very disproportionate to what we are spending for its eradication when you compare figures for some of the other pests, and insects that are causing losses of many millions of dollars.

For example, the cereal leaf beetle, according to Dr. Irving of the Department of Agriculture, is "as serious as any problem we have and that is for two reasons: the relatively large size of the cereal crop, and no outlook, for a sure-fire means of containing it."

Studies at Purdue and Michigan State University show that yields could be reduced up to 23 percent of wheat and 17 to 30 percent in oats and barley because of an infestation of the cereal leaf beetle.

I recall several years ago seeing a map showing the presence of the beetle only in the southwestern section of the State of Michigan, and now it has spread to parts of Indiana, Pennsylvania, Ohio, and Illinois. I expressed the fear and concern that if we did not move rapidly and with dispatch in combating the cereal leaf beetle, we would be opening up the breadbasket of this country to this pestilence. When you consider the fact that we are talking about a \$1.5 billion cereal grain crop that is in danger and that we are only spending approximately \$1.3 million for its eradication, you can get the impact of the comparison I am trying to make.

In summary, Mr. Speaker, the conference amount agreed to in this bill is \$5,531,300,000, which is \$1,392,700,000 under the budget—roughly 7.7 million over the House-passed bill, and \$9.3 million under the Senate-passed bill. I believe we arrived at a good compromise and would urge Members to support the adoption of the conference report.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. JONAS. I believe the gentleman from Mississippi should say a word or

two about the personnel reduction statement in the report.

Mr. WHITTEN. I thank the gentleman. The statement referred to is the one we placed in the report.

There are several new or expanded programs in this bill. They were budgeted and were considered by the committee. The committee, in view of the legislation passed some time ago reducing overall Federal expenditures and personnel, wished to make certain that these so-called new or expanded programs were not carried on at the level authorized in this bill at the expense of existing programs.

So in the language which appears on page 10 of the statement of the managers we provide the following:

In instances where new positions have been authorized in this bill, it is not intended to give preference to such positions over those of existing programs in effecting personnel reductions required by law.

Mr. JONAS. Mr. Speaker, will the gentleman yield further?

Mr. WHITTEN. I yield further.

Mr. JONAS. Since the statement appears only in the statement on the part of the managers of the House, I believe my colleague will confirm my statement that this was discussed in the conference and it was agreed to by the conferees of both bodies.

Mr. WHITTEN. All conferees agreed without exception, according to my recollection.

We were also concerned that the Department of Agriculture should not be seriously curtailed or crippled in order to enable full staffing of new or expanded programs in other departments and agencies. We believe that those programs which preserve and protect our food supply and natural resources must not be sacrificed to less essential functions.

THE LESSONS OF HISTORY

In this connection, I should like to call attention to a statement from my report on the appropriation bill which I handled earlier in the year. I quote:

Ancient Greece had forested hills, ample water supplies, and productive soil. In parts of this area today, the old erosion-proof Roman roads stand several feet above a barren desert. Ancient irrigation systems in many parts of China and India are abandoned today and filled with silt. Most of India's present land problems are due to excessive deforestation, erosion and siltation made necessary by tremendous population growth during the past two centuries.

The highly developed civilization of ancient Guatemala and Yucatan are merely history today. Archaeologists believe that they exploited their land as intensively as possible until its fertility was gone and their prosperous civilizations vanished.

The long-since-gone city-states of history used up and wore out their natural resources. In 2000 B.C. the Valley of the Nile was a granary for the Roman Empire. Today its productivity is largely gone because of neglect and misuse. In 3500 B.C. the valleys of the Tigris and Euphrates Rivers supported a large and prosperous civilization. Today less than 20 percent is productive.

Why are those areas gone today, so far as the ability to support their people is concerned? It is because the people

were unwilling, year after year, to put back into the land a fair share of what they took out.

For us to fail, whatever our problems, to look after the basic resources on which all our well-being depends would not merely endanger our standard of living but life itself would be affected. We would be heading in the direction of India and China; and there would not be any foreign aid when our country is worn out.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. As I remember the bill when it left the House, it provided for approximately a 20-percent reduction in spending as compared with last year. Is that correct?

Mr. WHITTEN. It is approximately 20 percent below the 1969 budget request, and not too far from that figure as compared to the amount obligated last year.

Mr. GROSS. Of course, the latter figure is the meaningful figure, the gentleman will agree.

Mr. WHITTEN. The budgeted items for 1969 and expenditures for last year were virtually the same.

Mr. GROSS. It is approximately 20 percent below?

Mr. WHITTEN. The obligational authority in this bill actually is about 24 percent below last year.

Mr. GROSS. Twenty-four percent below the actual spending for the same general purposes last year?

Mr. WHITTEN. That is correct.

Mr. GROSS. And this bill is only slightly higher than when it left the House?

Mr. WHITTEN. About \$7 million, which is a small figure, percentagewise.

Mr. GROSS. I thank the gentleman.

Mr. WHITTEN. I thank my colleague. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: On page 11, after line 22, insert:

"RIVER BASIN SURVEYS AND INVESTIGATIONS

"For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1006), to remain available until expended; \$8,780,000, with which shall be merged the unexpended balances of funds heretofore appropriated to the Department for river basin survey purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 12, line 12, insert:

"WORKS OF IMPROVEMENT

"For necessary expenses to carry out preventive measures, including, but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended; \$57,907,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert: "\$57,220,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 17, line 5, strike out "\$118,989,500" and insert "\$116,314,500."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "\$116,264,500".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 18, line 26, insert:

"*Provided*, That not to exceed \$2,500,000 of this appropriation shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "\$1,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 19, line 4, strike out:

"REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

"No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment, as follows: Restore the matter stricken, amended to read as follows:

"REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

"Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961; and (4) not more than \$45,000,000 (including not to exceed \$1,000,000 for State administrative expenses) for (a) child feeding programs and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act, as amended; and (b) additional direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to other needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food: *Provided*, That in making such determinations, the Secretary shall take into consideration the age; income; location and income of parents, if a minor; and employability."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 31, line 7, Strike out "*Provided*, That the farmer applicants for housing loans shall be required to offer only such collateral security as is required of owners of nonfarm tracts."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: Restore the matter stricken, amended to read as follows:

"Hereafter, farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

PROVIDING FOR WAIVING POINTS OF ORDER DURING CONSIDERATION OF H.R. 18707, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1969

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1273 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1273

Resolved, That during the consideration of the bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes, all points of order against said bill are hereby waived.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the minority, the distinguished gentleman from Ohio [Mr. LATTAL], and pending that, Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a rather simple resolution, but it does encompass a rather controversial matter in that it waives points of order.

Mr. Speaker, this resolution simply makes in order the consideration of the appropriation bill for the Department of Defense for fiscal year 1969. Of course, as the membership is aware, the Appropriations Committee reports and bills are privileged. They do not require ordinarily a rule to bring them to the floor. But in this case a rule was requested and granted simply because the authorizing legislation which ordinarily precedes the reporting and consideration of an appropriation bill has not been finally enacted.

The matter is now in conference, and the Committee on Appropriations, I understand, with the concurrence of the leadership, came to the Committee on Rules and requested a rule waiving points of order.

The chairman of the Committee on Appropriations, the able and distinguished gentleman from Texas [Mr. MAHON], frankly stated before the Committee on Rules that that was the main reason for their appearance and their request, although with equal frankness he stated that there were a number of other matters in the bill that would be subject to a point of order if some Member of the House saw fit to raise that point, because they violated the rule on legislating upon an appropriation bill.

Mr. PIKE. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I will be happy to yield in just a moment, if my friend from New York will bear with me.

Chairman MAHON stated that as far as the committee was concerned they were not particularly concerned about these matters, that they had been carried from year to year, and that the House had seen fit to go along with them.

In the interest of orderly procedure, the committee saw fit to grant a rule

waiving all points of order, and that is what we are doing here today.

Now, Mr. Speaker, I would just like to add this personally; ordinarily I am opposed to the general granting of a rule waiving all points of order. As a matter of fact, this year for the first time the Committee on Rules adopted a rule of its own requesting that all chairmen of committees asking for a waiver of a point of order specifically state in writing why the request was made.

The Committee on Appropriations has seen fit to comply with that rule, and I have a statement here listing these provisions of the subject to points of order which I shall ask unanimous consent, Mr. Speaker, to insert in the RECORD as a part of my remarks, but which I do not believe is necessary to go into at this time.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The list referred to, follows:

(a) On page 5, beginning at line 4, appropriations for National Guard Personnel, Army, are made available without regard to Sec. 107 of Title 32, U.S. Code, which section prescribes apportionments on the basis of numbers of enlisted personnel as between the States;

(b) The same situation prevails with respect to appropriations for National Guard Personnel, Air Force, on page 5, beginning on line 13;

(c) On page 11, beginning at line 18, language provides that personnel of the National Guard may be employed as civilians without regard to their military rank and that the number of caretakers authorized to be employed may be such as is deemed necessary by the Secretary of the Army. Basic law limits the number of caretakers and provides that they must be enlisted men except under certain conditions;

(d) On page 12, beginning on line 10, a further legislative provision in the appropriation Operation and Maintenance, Army National Guard, is the same as that carried in connection with the Personnel appropriations for National Guard.

(e) On page 13, beginning at line 9, the previously cited provisions with respect to caretakers and apportionment of funds are indicated in connection with the appropriation for Operation and Maintenance, Air National Guard;

(f) On page 14, beginning at line 16, Procurement appropriations, are affected by the pending authorization bill. In addition, certain language with respect to the construction and furnishing of facilities and equipment contained in each of the procurement appropriation paragraphs, first shown at page 15, beginning at line 1, constitutes legislation and each of them would be subject to a point of order. Each of the appropriations for Research, etc., beginning on page 21, line 6, is also affected by the pending authorization.

(g) On page 26, beginning at line 8, Sec. 506 provides the only statutory authority for the overseas dependents education program of the Department of Defense. Further on in that section, other subsections also provide legislative authority for certain current practices of the Department.

(h) On page 28, beginning at line 19, Section 508 is clearly legislation providing for Defense Department assistance to American small business;

(i) On page 31, beginning at line 4, Sec. 512 provides legislative authority for certain deficiency apportionments or, in two cases, the actual creation of deficiencies and as such is clearly legislation;

(d) On page 33, beginning at line 8, Sec. 514 provides authority for the payment of flight pay to flying officers under certain conditions without their actual engagement in flying duties;

(k) On page 35, beginning at line 3, Section 519 provides authority for the acceptance of certain property and services from foreign countries when provided as reciprocal international courtesies or services customarily made available without charge;

(l) On page 38, beginning at line 11, Section 526 provides authority for the purchase of household furnishing, house trailers and automobiles from both military and civilian personnel on duty outside the continental United States for purposes of resale, which authority is legislation;

(m) On page 39, beginning at line 4, Section 528 provides authority for the transfer, without reimbursement, of ammunition upon requisition of the National Board for the Promotion of Rifle Practice;

(n) On page 42, beginning at line 3, Section 535 provides an additional transfer authority to give the Secretary of Defense still further leeway in accommodating to emergency situations;

(o) On page 43, beginning at line 13, Sec. 539 provides authority for the maintenance of minimum cash balances in the various working capital funds of the Department of Defense, and also provides for transfers between such amounts.

Mr. COLMER. Mr. Speaker, I want particularly to call attention again to the reason why we are here in this extraordinary procedure. This was a part and parcel of the overall objective in which I was particularly interested of trying to adjourn this Congress before the political conventions, adjourn it sine die, so that we would not have to come back here after the political conventions and furnish a political forum for the discussion of the platforms of the political parties.

I regret deeply and sincerely that we have not achieved that objective, although the Rules Committee has certainly done its full part.

I want to repeat—I still think it is a mistake and a grave mistake and not in the interest of the country for the Congress to come back. But even though my committee saw fit to adopt a rule and a formula by which no new matters would be considered excepting in cases of emergency or in a procedural matter such as we now have here, we are faced with the fact that we are going to come back here sometime in September—so I am informed by those who are running the show.

Now, Mr. Speaker, I am now happy to yield to my friend, the gentleman from New York [Mr. PIKE].

Mr. PIKE. Mr. Speaker, I thank the chairman very much for yielding.

I am certainly aware that there is no man in this body who has a higher regard for orderly procedure than the gentleman.

I have certainly had my own differences with the Committee on Armed Services from time to time.

But is it not true, however, that what we are waiving points of order on here is the entire military procurement bill which amounts to some \$21 billion and put on this bill that we have before us and there is \$21 billion at least some of which was in some controversy?

Mr. COLMER. Of course, I would have to answer the gentleman by saying that is the purpose of the rule.

Mr. PIKE. It seems to me that we are really in this instance making a sham of the legislative process and we are making the efforts and the work of the Committee on Armed Services rather meaningless—if we can pass the appropriation bill without any authorization bill having been passed—then we do not need the Committee on Armed Services. Is that not a fair statement, Mr. Speaker?

Mr. COLMER. I would have to say again with equal frankness that if that were adopted as a permanent policy, yes, that would be true. It would be then as it was before the appropriating authority was separated from the authorization authority, because as the gentleman is aware that was at one time all handled by the same committee.

Mr. PIKE. I would simply like to say that although I have had my differences with my own chairman and with my own committee from time to time, I take rather great pride in it and in its efforts, and I am reluctantly obliged to oppose this rule and I hope the rule is not passed.

I am glad to see my chairman here.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the distinguished gentleman from South Carolina, the chairman of the Committee on Armed Services.

Mr. RIVERS. Mr. Speaker, I would like to say to the gentleman, there is no committee in this House that puts in longer hours than does our committee with its far reaching jurisdiction.

We have been working day and night to bring the 412 authorization conference report to this floor.

We are now tied up in a conference with the other body. Indeed, we have already acted on two procurement sections for which this bill makes money available.

Now I do not think the great Committee on Appropriations—since the objective of adjourning at the end of August is not to be attained and since time is not of the essence—will really be saving any time. Nobody knows when we will get away from here now. We are not going to finish this month. I doubt that we will finish next month.

So, we are not going to finish this week. And we are not going to finish next week. This appropriations bill will not even be considered by the other body until sometime in September. I am hopeful that the great chairman, with whom I have never had a disagreement and with whom I have cooperated to the extent of forgoing our committee jurisdiction on supplemental bills for Southeast Asia, will not insist on this bill now. It is a bad precedent. I do not want to have a misunderstanding now.

I think the sound and considerate thing to do is to consider the jurisdiction of a committee which has broken its neck to cooperate with the great Committee on Appropriations. I do not want to get into any controversy with them, but this bill could end up as the authorization for the appropriation and, as the gentleman

from New York has said, the appropriation would really repeal the jurisdiction of our committee.

If this is what you want, go ahead and do it. We could come on the floor and let the Armed Services Committee do the authorization and the appropriation, as it used to do before some of you gentlemen came to Congress. This is what I would not want to see.

Mr. COLMER. Would the gentleman from South Carolina permit me to make this statement—if the gentleman will permit me, what I have to say to the gentleman is this: He knows the very high regard I have for him and the splendid personal relations that exist between us, and so on. But I must confess that I am just a little surprised at my friend raising this question now. I assume he had notice that the great Committee on Appropriations was going to appear before the Rules Committee and request this rule. The chairman of the Armed Services Committee—he does such a great job and I am for him all the way—did not come up there nor did any member of his committee.

Mr. RIVERS. Not a single member. No we did not.

Mr. COLMER. Nor did any other Member.

Mr. RIVERS. Will the gentleman from Mississippi yield further?

Mr. COLMER. I yield to my friend from South Carolina.

Mr. RIVERS. It has always been the practice for the chairman to bring out this bill unless it had something of vital interest to some other Member. It may be my fault. I have been tied up in conference every single day from 10 o'clock in the morning until late in the afternoon. Ask the other conferees. Maybe I should have looked out for it, but I did not do it. Two wrongs do not make a right.

Mr. COLMER. Mr. Speaker, I quite agree with the gentleman on that. I also repeat, I agree with the gentleman that as a general proposition I do not like this procedure, but I come back to the point that we were trying to adjourn this Congress, and that is why this rule was granted. This is nothing new. It was done last year. It has been done on many occasions. There is no precedent set here.

Finally, I want to say to my friend from South Carolina, before we get further on with this, that now that we are going to have to come back here, I do not care what we do with this rule, whether we vote it up or vote it down.

The committee came up there, as it has a right to do, and asked for the rule, and not one scintilla of question was raised.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, first I would like to say, as a member of the Subcommittee on Defense Appropriations, we were told over 4 weeks ago that we must have this bill ready for action here on the floor of the House today. Every effort was made by our committee to do the necessary work so this bill would be before the House this week. We are not responsible

90TH CONGRESS
2^D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MAY 20), 1968

Referred to the Committee on Appropriations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, viz: At the appropriate place insert the following:

1 SEC. . Notwithstanding any other provision of law,
2 after January 1, 1969, no producer shall be eligible for
3 payments under any program or programs administered by
4 the Department of Agriculture in any amount in excess of
5 \$10,000 for any one year. The foregoing limitation shall in-
6 clude the fair dollar value (as determined by the Secretary
7 of Agriculture) of any payment-in-kind made to a producer.

Amdt. No. 811

H. R. 16913

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

MAY 21 (legislative day, MAY 20), 1968
Referred to the Committee on Appropriations and
ordered to be printed

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MAY 27), 1968

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, viz: On page 38, between lines 17 and 18, insert a new section as follows:

1 SEC. 510. None of the funds appropriated by this Act
2 shall be used to formulate or carry out price support or com-
3 modity programs during the fiscal year ending June 30,
4 1969, under which the total amount of payments in excess
5 of \$10,000 would be made to any single recipient as (1)
6 incentive payments, (2) diversion payments, (3) price-sup-
7 port payments, (4) wheat marketing certificate payments,
8 (5) cotton equalization payments, and (6) cropland adjust-
9 ment payments.

Amdt. No. 833

Amdt. No. 833

Calendar No. 1121

**90TH CONGRESS
2d Session**

H. R. 16913

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

MAY 28 (legislative day, MAY 27), 1968

Ordered to lie on the table and to be printed

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MAY 27), 1968

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, viz: On page 38, between lines 17 and 18, insert a new section as follows:

- 1 SEC. 510. None of the funds appropriated in this Act
- 2 may be used to make payments to any producer during the
- 3 fiscal year beginning July 1, 1968, for participation in any
- 4 program or programs administered by the Department of
- 5 Agriculture in an amount in excess of \$10,000, or any pay-
- 6 ment-in-kind in excess of \$10,000 made to such producer in
- 7 such fiscal year.

Amdt. No. 834

Amdt. No. 834

Calendar No. 1121

**90TH CONGRESS
2d Session**

H. R. 16913

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

May 28 (legislative day, May 27), 1968

Ordered to lie on the table and to be printed

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MAY 27), 1968

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, viz: On page 38, between lines 17 and 18, insert a new section as follows:

1 SEC. 510. Notwithstanding any other provision of law,
2 after January 1, 1969, no producer shall be eligible for pay-
3 ments under any program or programs administered by the
4 Department of Agriculture in any amount in excess of
5 \$10,000 for any one year. The foregoing limitation shall
6 include the dollar value (as determined by the Secretary
7 of Agriculture) of any payment-in-kind made to a producer,
8 but shall not include the amount of any price support loan
9 made to a producer.

Amdt. No. 835

Amdt. No. 835

Calendar No. 1121

**90TH CONGRESS
2D SESSION**

H. R. 16913

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

May 28 (legislative day, May 27), 1968

Ordered to lie on the table and to be printed

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MAY 27), 1968

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969. and for other purposes, viz:

1 On page 19, line 12, insert the following: “: *Pro-*
2 *vided*, That not to exceed \$2,500,000 of this appropriation
3 shall be available for the payment of obligations incurred
4 under the appropriation for similar purposes for the preced-
5 ing fiscal year”.

Amdt. No. 836

Amdt. No. 836

Calendar No. 1121

**90TH CONGRESS
2D SESSION**

H. R. 16913

AMENDMENT

Intended to be proposed by Mr. HOLLAND to
H.R. 16913, an Act making appropriations
for the Department of Agriculture and re-
lated agencies for the fiscal year ending
June 30, 1969, and for other purposes.

MAY 28 (legislative day, **MAY 27**), 1968

Ordered to lie on the table and to be printed

Calendar No. 1121

90TH CONGRESS
2D SESSION

H. R. 16913

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MAY 27), 1968

Ordered to be printed

AMENDMENT

Proposed by Mr. HART (for himself, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. MUSKIE, and Mr. YOUNG of Ohio), to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes, viz:

- 1 Page 18, lines 19-21: Strike out "\$173,349,000, in-
- 2 cluding \$7,500,000 for special assistance to needy schools,
- 3 \$4,500,000 for the pilot school breakfast program, \$2,000,-
- 4 000 for the nonfood assistance program" and insert the fol-
- 5 lowing: "\$184,149,000 including \$10,000,000 for special
- 6 assistance to needy schools, \$6,500,000 for the pilot school
- 7 breakfast program, \$6,000,000 for the nonfood assistance
- 8 program, and \$2,300,000 for State administrative expenses".

Amdt. No. 837

Amdt. No. 837

Calendar No. 1121

**90TH CONGRESS
2d Session**

H. R. 16913

AMENDMENT

Proposed by Mr. HARR (for himself, Mr. MUSKIE, Mr. JAVITS, Mr. KENNEDY of Massachusetts, and Mr. YOUNG of Ohio) to H.R. 16913, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

MAY 28 (legislative day, MAY 27), 1968
Ordered to be printed





Public Law 90-463
90th Congress, H. R. 16913
August 8, 1968

An Act

82 STAT. 639

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1969, and for other purposes; namely:

Department of
Agriculture
and Related
Agencies Approp-
riation Act,
1969.

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed three for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2225, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$25,000, except for six buildings to be constructed or improved at a cost not to exceed \$55,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland:

58 Stat. 742.
80 Stat. 416.

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100; \$129,118,300, and in addition not to exceed \$15,000,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 shall be transferred to and merged with this appropriation: *Provided*. That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That none of the funds appropriated in this Act shall be used to formulate a budget estimate for fiscal 1970 of more than \$15,000,000 for research to be financed by transfer from funds available under section 32 of the Act of August 24, 1935, and pursuant to Public Law 88-25;

49 Stat. 774.
7 USC 612c.
77 Stat. 820.

62 Stat. 198.

77 Stat. 20.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests

61 Stat. 7;
80 Stat. 330.
31 USC 665.

and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), \$86,639,500, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That the Secretary is authorized to acquire land for plant quarantine control activities presently located at Presidio, Texas: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

80 Stat. 1529.

72 Stat. 871.

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)(1), (3)), to remain available until expended \$4,500,000; and in addition, the June 30, 1968 unexpended balance of funds appropriated to the President in the Supplemental Appropriation Act, 1959 (Public Law 85-766, approved August 27, 1958) under the heading "Translation of publications and scientific cooperation" shall be merged with this appropriation: *Provided*, That this appropriation shall be available, in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.

58 Stat. 742;
80 Stat. 416.

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry and other research, for facilities, and for other expenses, including \$52,945,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$3,485,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7); \$2,000,000 in addition to funds otherwise available for contracts and grants for scientific research under the Act of August 4, 1965 (7 U.S.C. 450i) of which \$1,000,000 shall be for the special cotton research program and \$400,000 for soybean research; \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$365,000, for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 for employment under 5 U.S.C. 3109; in all, \$59,105,000.

69 Stat. 671.

76 Stat. 806.

79 Stat. 431.

69 Stat. 673.
7 USC 361f.58 Stat. 742.
80 Stat. 416.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), to be distributed under sections 3(b) and 3(c) of the Act, \$80,082,500; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,450,000; in all, \$81,532,500: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83;

69 Stat. 683;

76 Stat. 745.

60 Stat. 1089.

67 Stat. 84;

76 Stat. 745.

7 USC 343.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$9,318,500.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,299,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$2,838,000.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), \$1,341,000.

44 Stat. 802.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

49 Stat. 163. For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$114,893,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

58 Stat. 742.
80 Stat. 416.

WATERSHED PLANNING

68 Stat. 666. For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), to remain available until expended, \$6,165,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

58 Stat. 742.
80 Stat. 416.

WATERSHED PROTECTION

River Basin Surveys and Investigations

68 Stat. 668. For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1006), to remain available until expended; \$8,780,000, with which shall be merged the unexpended balances of funds heretofore appropriated to the Department for river basin survey purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225),

and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109.

80 Stat. 416.

Works of Improvement

For necessary expenses to carry out preventive measures, including, but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590 a-f), to remain available until expended; \$57,220,000 with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$3,000,000 of the funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans.

68 Stat. 666.

49 Stat. 163.

58 Stat. 742.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 for employment under 5 U.S.C. 3109, to remain available until expended; \$20,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That \$400,000 of funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans.

49 Stat. 1570;

70 Stat. 1090.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$16,000,000, to remain available until expended.

70 Stat. 1115.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$6,256,000, to remain available until expended: *Provided*, That \$1,500,000 of the funds available in the direct loan account of the Farmers Home Administration shall be available for loans under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended, to remain available until expended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

60 Stat. 1087. For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; \$12,789,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

60 Stat. 1087. For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$14,326,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109.

CONSUMER AND MARKETING SERVICE

CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

42 Stat. 159.
7 USC 181. For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, other than Packers and Stockyards Act, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$116,264,500, of which \$13,440,250 shall be placed in reserve to be released only after the inspection activities of this service have been

52 Stat. 36.
60 Stat. 1088.
7 USC 1622.

fully coordinated and placed on an efficient and economical operating basis: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2225) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater. 58 Stat. 742.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,750,000. 60 Stat. 1089.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Child Nutrition Act of 1966 (42 U.S.C. 1772), \$104,000,000, to be transferred from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). 80 Stat. 885.
49 Stat. 774.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751-1760) and the applicable provisions of the Child Nutrition Act of 1966 (42 U.S.C. 1773-1785), \$178,474,000, including \$10,000,000 for special assistance to needy schools, \$3,500,000 for the pilot school breakfast program, \$750,000 for the nonfood assistance program: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of the National School Lunch Act, as amended: *Provided further*, That \$64,325,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. 60 Stat. 230;
76 Stat. 944.
80 Stat. 886.
60 Stat. 231.
42 USC 1754.
49 Stat. 774.
42 USC 1755.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, as amended, \$225,000,000, of which \$25,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year after various corrections are made in handling of the program: *Provided*, That not to exceed \$1,000,000 of this appropriation shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year. 78 Stat. 703;
81 Stat. 228.
7 USC 2011
note.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; (3) not more than \$2,950,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961; and (4) not more than \$45,000,000 (including not to exceed \$1,000,000 for State administrative expenses) for (a) child feeding programs and nutritional programs authorized by law in 70 Stat. 1119.
16 USC 742a
note.
50 Stat. 246.
7 USC 674
note.
75 Stat. 294.
7 USC 1911
note.

42 USC 1751
note, 1771
note.

the School Lunch Act and the Child Nutrition Act, as amended; and (b) additional direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to other needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food: *Provided*, That in making such determinations, the Secretary shall take into consideration the age; income; location and income of parents, if a minor; and employability.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$21,541,300: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$1,530,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$141,031,400: *Provided*, That, in addition, not to exceed \$62,764,100 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$27,205,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any

referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

62 Stat. 792.

52 Stat. 31.
16 USC 590h.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$82,000,000, to remain available until June 30 of the next succeeding fiscal year.

61 Stat. 922;
79 Stat. 1271.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$190,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1967 and 1968, carried out during the period July 1, 1966, to December 31, 1968, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1969 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$195,500,000, excluding administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current

49 Stat. 1148.

80 Stat. 696;
81 Stat. 328.

year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

53 Stat. 1147;
54 Stat. 767.
5 USC 1501,
7324.
62 Stat. 792.

CROPLAND ADJUSTMENT PROGRAM

For necessary expenses to carry into effect a cropland adjustment program as authorized by the Food and Agriculture Act of 1965 (7 U.S.C. 1838), \$84,500,000.

79 Stat. 1206.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$109,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

70 Stat. 191;
73 Stat. 552;
79 Stat. 1206.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$5,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

71 Stat. 176.

RURAL COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership and related services in carrying out the rural areas development activities of the Department, \$463,000: *Provided*, That not to exceed \$3,000 shall be available for employment under 5 U.S.C. 3109.

80 Stat. 416.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$10,000 for employment under 5 U.S.C. 3109, \$12,426,000. 58 Stat. 742.
80 Stat. 416.

PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, \$2,815,300. 42 Stat. 159.
7 USC 181.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$4,611,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,997,000, of which total appropriation not to exceed \$587,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Year-book of Agriculture) as authorized by section 73 of the Act of January 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109. 34 Stat. 690.
28 Stat. 612.
58 Stat. 742.
80 Stat. 416.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, \$3,292,750: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109.

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, \$2,841,600.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, and not to exceed \$5,000 for employment under 5 U.S.C. 3109, \$4,614,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings required by 5 U.S.C. 551-558: *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

80 Stat. 416.

80 Stat. 381;

81 Stat. 54.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

49 Stat. 1363;

63 Stat. 948.

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, and to remain available without fiscal year limitation in accordance with section 3(e) of said Act, as follows: rural electrification program, \$329,000,000, and rural telephone program, \$120,000,000.

7 USC 907.

61 Stat. 546.

7 USC 903.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 for employment under 5 U.S.C. 3109, \$12,805,000.

58 Stat. 742.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$83,000,000; and operating loans, \$275,000,000.

75 Stat. 307.

RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518(d) of the Housing Act of 1949 (42 U.S.C. 1488), \$30,000,000 shall be available from funds in the rural housing direct loan account. Hereafter, farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts. 79 Stat. 500.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), \$28,000,000. 79 Stat. 931.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010, 11(e)), \$1,600,000, to remain available until expended. 76 Stat. 607; 80 Stat. 1478.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), \$4,250,000, to remain available until expended. 78 Stat. 797.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921-1990), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), \$57,980,000, together with not more than \$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) to meet unusual or heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended. 75 Stat. 307. 63 Stat. 432; 79 Stat. 498. 64 Stat. 98. 75 Stat. 309. 7 USC 1929. 75 Stat. 187. 42 USC 1484. 58 Stat. 742. 63 Stat. 434. 42 USC 1474.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided: 61 Stat. 584. 31 USC 849.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$11,243,500.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,140,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

75 Stat. 391. To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,188,112,500, of which \$350,467,000 is for liquidation of contract authorization: *Provided*, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to title I of Public Law 480, 83d Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime.

80 Stat. 1526.
7 USC 1701-1710.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$31,500,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

31 USC 665.

PUBLIC LAW 480

80 Stat. 1526. For expenses during fiscal year 1969, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1710, 1721-1725, 1731-1736d), to remain available until expended, as follows: (1) sale of agricultural commodities for foreign currencies and for dollars on credit terms pursuant to title I of said Act, \$100,000,000: *Provided*, That any unexpended balances of appropriations heretofore available under this heading for title I of said Act may be merged with this appropriation;

and (2) commodities disposed of and other costs incurred in connection with donations abroad, pursuant to title II of said Act, \$200,000,000.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,436,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed six hundred and twenty-six (626) passenger motor vehicles, of which four hundred and fifty-seven (457) shall for replacement only, and for the hire of such vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 421-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 507. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 508. None of the funds in this Act shall be available to finance interdepartmental boards, commissions, councils, committees, or similar groups under sec. 214 of the Independent Offices Appropriation Act, 1946 (31 U.S.C. 691) which do not have prior and specific Congressional approval of such method of financial support.

SEC. 509. No part of the funds appropriated under this Act shall be used to pay salaries of any Federal employee who is convicted in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in

80 Stat. 1534.

7 USC 1721-

1725.

82 STAT. 652

82 STAT. 653

Passenger
motor vehi-
cles.

Employment of
aliens.

Uniforms,
allowances.
80 Stat. 508;
81 Stat. 206.
Cotton prices,
prediction.

Twine.

Contracting
funds.
60 Stat. 1082;
68 Stat. 574;
72 Stat. 1793.

Interdepart-
mental groups,
expenses.
59 Stat. 134.

Persons incit-
ing riots,
etc.
Prohibition of
payments.

material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned.

Short title.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1969".

Approved August 8, 1968.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1335 (Comm. on Appropriations) and No. 1794 (Comm. of Conference).

SENATE REPORT No. 1138 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 114 (1968):

May 1, July 26: Considered and passed House.

May 28, 29, July 26: Considered and passed Senate.

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